

G Capital Berhad
[Registration No. 199501000977 (330171-P)] (KLSE Stock Code: 7676)





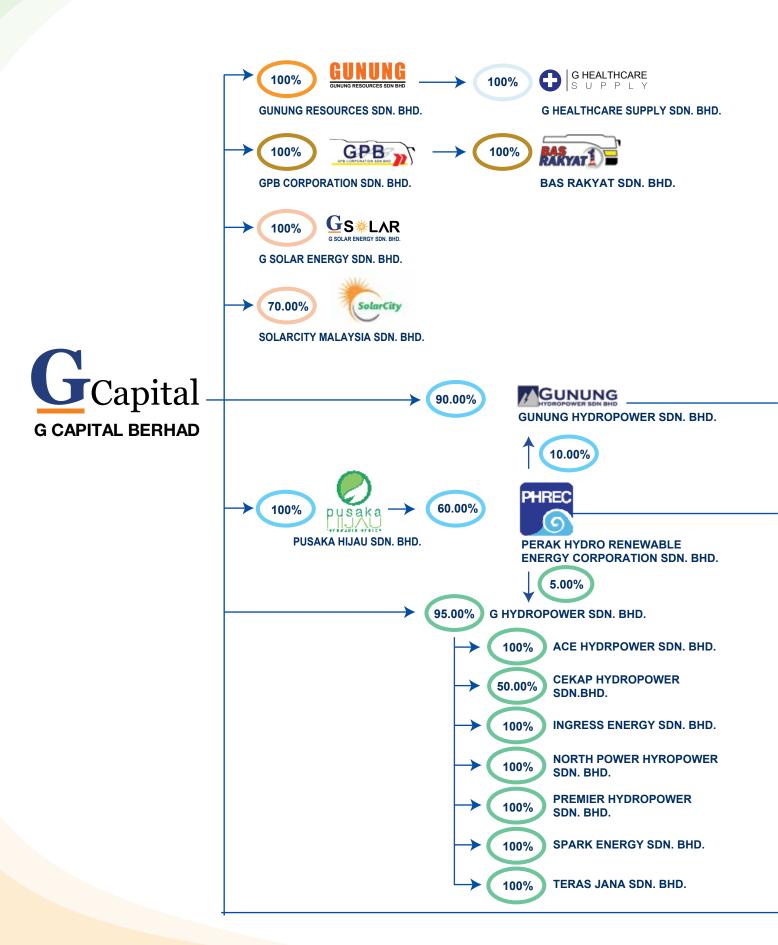
Our Sustainable FUTURE

CONTENTS

Contents	Page
Corporate Structure	2
Corporate Information	4
Our Value Creation Model	5
Management Discussion & Analysis ("MD&A")	11
Sustainability Statement	28
Profile of Directors	51
Key Management Profile	56
Key Financial Summary	58
Corporate Governance Statement	60
Directors' Responsibility Statement	75
Additional Compliance Information	76
Statement on Risk Management and Internal Control	77
Audit & Risk Committee Report	82
Financial Statements	85
Notice Of Annual General Meeting	168
Analysis of Shareholdings	174
Proxy Form	176

CORPORATE STRUCTURE

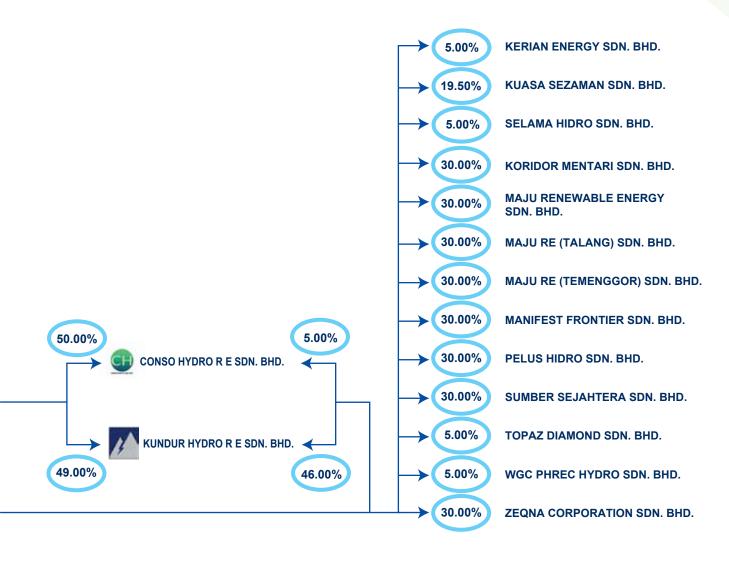
AS AT 22 APRIL 2024

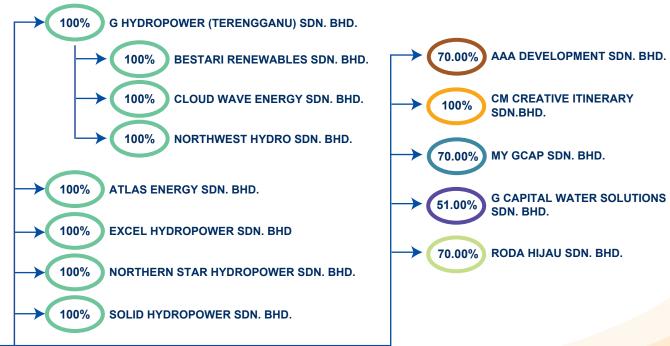




CORPORATE STRUCTURE

AS AT 22 APRIL 2024







CORPORATE INFORMATION

Board of Directors

Gen (Retired) Tan Sri Dato Sri Affendi Bin Buang Executive Chairman Datuk Yap Yee Ping **Executive Director**

Dato' Haji Roshidi bin Haji Hashim Independent Non-Executive Director Dato' Rosli bin Sharif Independent Non-Executive Director Jason Fong Jian Sheng Independent Non-Executive Director

Audit and Risk Committee

Dato' Rosli bin Sharif Chairman Dato' Haji Roshidi bin Haji Hashim Member Jason Fong Jian Sheng Member

Nomination Committee

Dato' Haji Roshidi bin Haji Hashim Chairman Dato' Rosli bin Sharif Member Jason Fong Jian Sheng Member

Remuneration Committee

Dato' Haji Roshidi bin Haji Hashim Chairman Datuk Yap Yee Ping Member Jason Fong Jian Sheng Member

Registered Office

Stock Exchange Listing No. 11B, Level 2, Listed on Main Market of Greentown Business Centre, Bursa Malaysia Securities Berhad

Persiaran Greentown 9, 30450 Ipoh, Perak.

Tel: 05-253 8318 Stock Name: GCAP Fax: 05-243 8318 Stock Code: 7676

Website: www.gcapital.com.my

Company Secretaries

Eric Toh Chee Seong (SSM PC 202008002884) (MAICSA 7016178) Jesslyn Ong Bee Fang (SSM PC 202008002969) (MAICSA 7020672)

Share Registrar

Aldpro Corporate Services Sdn Bhd Tel: 603-97702200 B-21-1, Level 21, Tower B, Northpoint Fax: 603-97702239

Mid Valley City, No. 1, Medan Syed Putra Utara Email: registrar@aldpro.com.my

59200 Kuala Lumpur, Malaysia

Group Auditors

Messrs. UHY (AF 1411) **Chartered Accountants** Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur

Bankers

United Overseas Bank (Malaysia) Bhd Malayan Banking Berhad Bangkok Bank Berhad CIMB Bank Berhad Hong Leong Bank Berhad Public Bank Berhad



OUR VALUE CREATION MODEL

	Our Value Creation N	Model
	Our Inpu	ts
	The resources and relationship on which we rely	Availability, quality and affordability of capitals
FC	RM 101.09mil equity (2022: RM110.70 mil) RM 48.78mil borrowings (2022: RM44.98 mil)	Operating in a capital-constrained and costly environment requires responsible financial and liquidity management.
MC	RM 64.90 mil plant and machinery (2022: RM54.32 mil) RM 33.02 mil Capital work-in-progress (2022: RM43.65 mil) Data speed of 30 Gbps used (2022: 30 Gbps)	The high level needs for value generating assets necessitate our integrated thinking and on-going innovation in exploring alternative uses of our existing assets.
НС	48 elites from various background offering mix blend of skills sets and talents (2022: 55)	The increased shortage of skills and talents requiring us to growing in-house talent and retaining high flyers. Best efforts being put to aid our employees managing their physical, mental, spiritual, financial and social wellbeing.
SRC	Deepen communication and collaboration to strengthen relationships with our key stakeholders	A need for the businesses to demonstrate consistent quality delivery of commitments made that progressively earns trust, which can be easily lost if not carefully managed.
IC	i) Exclusive Water Rights Agreement to develop small hydropower projects in Perak ii) Investment strategies playbooks	In a fast-paced and competitive environment, our intellectual capital differentiate us from our peer. Innovative thinking, change management and agile in responses are in the vein of our businesses.
NC	 i) 53,731 kWh of electricity used (2022: 35,566 kWh), where 4,233 kWh of electricity used in air-conditioning (2022: 3,276 kWh) ii) 289 m3 of water used (2022: 289m3) iii) 16,188 litres of petrol used (2022: 9,250 litres) iv) 11,701 litres of diesel used (2022: 7,176 litres) v) 81,871 pages of printing work done (2022: 62,854 pages) 	The cost and availability of petrol, diesel, water and electricity continue to support the businesses operations and growth.



better place with a little more sustainable and a little more just.



FC

Effective financial capital management is a fundamental part of our ability to create sustained value for our stakeholders. In 2023, we focused on protecting our financial resilience by ensuring we maintained healthy levels of liquidity.



What financial capital means to GCAP

Our financial capital encompasses a diverse pool of funds, which includes debt, retained earnings, equity funding and even capital profits retained from strategically divesting assets that no longer meet our investment criteria.

How financial capital supports our value-creation goals

By prioritizing sound credit metrics and maintaining a competitive total cost of capital, we strive our best to ensure sustainable operations and access to resources for expanding our income-generating asset base. This disciplined approach translates to minimized financing costs, maximized returns on investments, and ultimately, enhanced value for our stakeholders.

FC

Key outcomes	2023	2022
Revenue (RM'000)	26,256	26,875
Adjusted EBITDA (RM'000)	(6,131)	(1,061)
Adjusted EBITDA Margin (%)	(23.35)	(3.95)
Borrowings, excluding lease liabilities (RM'000)	48,785	44,983
Cash, cash equivalents and Quoted Investments (RM'000)	31,152	33,795
Net Debt (RM'000)	17,632	11,187
Total Equity (RM'000)	101,089	110,709
Net Debt-to-Equity ratio	17.44%	10.10%
Average weighted cost of capital (Based on Bloomberg)	5.90%	9.08%

НС

Human talent, in all its diversity, fueled our sustainable and impactful growth.



What human capital means to GCAP

We firmly believe that people, not businesses, are the true drivers of value creation. Our employees, with their unique blend of knowledge, skills, dedication, and commitment, are the heart and soul of our organization and our most significant competitive differentiator. We recognize that it's their daily efforts, fueled by passion and purpose, that bring our ambitions to life and propel us forward on the path to long-term sustainability.

How human capital supports our value-creation goals

We understand that our ambitious goals can only be achieved through the daily efforts and contributions of our people. Recognising that an engaged and motivated workforce is more likely to excel, we are committed to fostering a work environment that fosters open communication, values employee well-being, and sparks joy in their daily roles.

We actively strive to ensure that our employees are aligned with our people-centric brand promise and deeply connected to our core values. By empowering and investing in our human capital, we are confident in unlocking the full potential of our greatest asset and propelling GCAP towards a brighter future.



НС

Key outcomes	2023	2022
Professionals	48	55
Gender composition (Male:Female)	67%:33%	74%:26%
Composition by age		
20-29 years	25.0%	33.0%
30-39 years	37.5%	37.0%
40-49 years	22.9%	20.0%
50-59 years	6.3%	4.0%
>51 years	8.3%	6.0%
Continuing Professional Development Investments (RM)	30,944	12,080

МС

Our manufactured capital mainly comprises plant and machinery (Solar PV Systems) and capital work-in-progress (Solar PV Systems and small hydropower projects).

This year, we continued to focus and scale our manufactured capital.



What manufactured capital means to GCAP

We define manufactured capital as man-made, production-oriented equipment, tools and infrastructure that we owned, leased or controlled by us. These assets play a crucial role in our production and service delivery processes, but do not become embodied in our final output.

How manufactured capital supports our value-creation goals

- 1. Efficient use of manufactured capital enables us to be flexible, responsive to market or societal needs, innovative and faster in getting our products and services to market.
- Manufactured capital and technology can reduce resource use and focus more on human creativity, thus enhancing both efficiency and sustainable development.

МС

Key outcomes	2023	2023	2022	2022
Ownership	Controlling	Via JVC	Controlling	Via JVC
Plant and Machinery (RM'000)	64,903		54,323	
Capital work-in-progress (RM'000)	33,025		43,658	
Of which:-				
1) Solar PV Systems (PPA with corporate clients)				
- Installed and operational	9	-	8	-
- Installed capacity (MWdc)	23.01	-	18.51	-
- In progress	1	-	2	-
- Estimated Installed capacity (MWdc)	2.00	-	6.50	-
2) Small Hydropower plants (REPPA with TNB)				
- Installed and operational	-	3	-	3
- Installed capacity (MWac)	-	29.00	-	29.00
- In progress	8	6	8	6
- Estimated Installed capacity (MWac)	48.00	60.75	48.00	60.75

^{*} JVC denotes Joint Venture Companies where we are the non-controlling shareholder.





Sustainable-linked solutions are our commodities, but people are our business. We take a stakeholder-centric approach to business, accounting for the relational capital required to run our business while identifying the areas we can positively affect through our business activities and long term strategy. We are shaping our business to integrate corporate citizenship to ensure we actively contribute to a more sustainable operating environment for all our stakeholders.



What social and relationship capital means to GCAP

We see social and relationship capital as the invisible threads that weave our business ecosystem together. It's more than just connections; it's the very lifeblood of our people-centric approach. Through strong relationships with stakeholders, communities, and partners, we forge a vital link between our assets and the broader society we operate in.

How social and relationship capital supports our value-creation goals

Through meaningful engagement, we hone our stakeholder goals to ensure we achieve our mission of creating sustained value for all our stakeholders. In this way, we craft targeted stakeholder initiatives that generate mutual benefit to ensure the long-term sustainability of our operations. For us, society comprises our stakeholder and corporate citizenship universe. Accordingly, we follow a stakeholder-centric approach to social and relationship

Stakeholders	Key outcomes (quantitative)	2023	2022
Customers	Exchanges of valued products and services (RM'000)	26,256	26,875
Suppliers and Contractors	Exchanges of valued products and services (RM'000)	24,576	22,786
Employees	Remuneration to directors and employees (RM'000)	7,693	4,686
Government/ Authority	Net Income tax (refunded)/paid (RM'000)	(899)	195
Financiers	Interest paid (RM'000)	2,427	1,116
Local Communities	Donation (cash and in-kind) and spending on corporate social responsibilities (RM'000)		13
Business Partners	Adjusted EBITDA (RM'000) i) Transportation ii) Hydropower iii) Solarpower iv) Water	89 (1,295) 4,165 (3,010)	331 (975) 2,379 202
Shareholders	i) Basic EPS (Cent) ii) Diluted EPS (Cent) iii) Net asset per share (RM) iv) Market capitalisation (RM'mil)	(3.03) (3.03) 0.31 131.71	(5.82) (5.82) 0.35 129.87



Our rapidly evolving context requires agility in the present to meet changing customers demands while ensuring we retain a long-term focus on those areas that matter most to our business. Our business growth strategy drives us to develop and utilise our intellectual capital to foster innovation and creativity to ensure transformational change.



What intellectual capital means to GCAP

We define *intellectual* capital as to how we do business – what sets us apart – and remains a crucial driver of sustainable growth. It encompasses the broad knowledge and capabilities intrinsic to our organisation and is distinct from human capital in that it can be replicated and shared, empowering our entire organisation to excel.

Our playbook, for instance, encompasses diverse investment strategies, from passive participation to active involvement and innovation, across all levels from strategic direction to operational execution and fundraising.

One of the key **intellectual capital** GCAP in possession is the exclusive water rights agreement with State Government of Perak Darul Ridzuan on 49 rivers to develop small hydropower projects in Perak. This agreement exemplifies how intellectual capital translates into tangible assets, driving value creation.

How intellectual capital supports our value-creation goals

Intellectual capital is not just a static pool of knowledge; it's a dynamic force fueling value creation. We believe that economic value goes beyond our physical assets. It's about how we extract the most from them, ensuring efficient resource utilisation while fulfilling our purpose and staying relevant to our stakeholders.

Our investments' success hinges not just on the assets themselves, but also on our ability to leverage intellectual capital. By applying our deep-seated knowledge and innovative solutions, we enhance the experience of our investees and streamline their operations, ultimately amplifying returns for all involved.

How intellectual capital supports our value-creation goals (cont'd)

In essence, intellectual capital is the invisible engine that propels GCAP forward. By nurturing and strategically deploying this unique asset, we unlock value for ourselves, our partners, and the communities we serve, paving the way for a brighter and more sustainable future.

Key outcomes	2023	2022
An appropriately skilled, diversified and independent board i) % of independent non-executive directors ii) % of female in our board	60% 20%	75% 25%
Intrinsic value of exclusive Water Rights Agreement in Perak	>RM 2 billion	>RM 2 billion
Key metrics of various investment playbooks		
Contract assets acquired through business combinations (RM'000)	22,039	22,994
Goodwill on consolidation (RM'000)	10,243	11,054
Investment in subsidiaries (RM'000) i) Carrying amount ii) Non-controlling interests	31,489 2,326	33,416 5,700
Investment in associates (RM'000)	-	-
Investments held at fair value through other comprehensive income (RM'000)	2,384	2,430
Investments in joint venture company (RM'000)	18	20
Investments in quoted shares (RM'000)	28,919	17,840

IC



NC

Climate change is rising to the forefront of the global business agenda. We deepen our understanding of environmental and climate risks by defining how they impact our business and how our business contributes to adverse ecological effects and long-term climatic shifts, addressing these challenges through innovation to support operational resilience.



What natural capital means to GCAP

We define natural capital as to the natural environmental resources we uses (water, sun, etc) to generate sustainable energy solutions.

How natural capital supports our value-creation goals

Natural capital is integral to value creation, as such, preserving it is a business imperative. We strive to understand our critical environmental focus areas:-

- Energy
- Carbon footprint/emission reduction
- iii) Climate change and resilience
- Water

In each area, we aim to understand our impact, limit any adverse effects, create awareness, and influence the right behaviour among all our stakeholders.

NC

Key outcomes	2023	2022
Solarpower Division		
 i) Installed capacity (MWdc) ii) Solar energy generated (MWh) iii) Carbon emission reduction (MT of Scope 2 emission) 	23.01 20,609 10,717	18.51 11,656 6,061
Hydropower Division		
 i) Installed capacity (MWac) ii) Hydro energy generated (MWh) iii) Carbon emission reduction (MT of Scope 2 emission) 	29.0 141,180 73,978	29.0 145,796 16,397
Water Division		
Water saved from NRW works ('000 m3)	1,355	586



MANAGEMENT DISCUSSION & ANALYSIS ("MD&A") FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors of the Company ("GCAP") and Management are pleased to present the Management Discussion and Analysis ("MD&A") which contains commentary from the Management to give investors and shareholders a better understanding of the Group's business, operations and financial position for the financial year ended 31 December 2023 ("FYE 2023"). The MD&A should be read in conjunction with the audited financial statements of the Group and of the Company for FYE 2023.

A) <u>Business Overview and Operational Update</u>

During FYE 2023, GCAP and its subsidiary companies ("GCAP Group" or "the Group") has five (5) reportable segments, as described below, which are the Group's strategic business units which had contributed to

- (i) Transportation division;
- (ii) Small Hydropower division;
- (iii) Solarpower division;
- (iv) Water division; and
- (v) Investment holdings and others

(i) Transportation division

The chartering of transportation assets division of the GCAP Group is principally engaged in the chartering of its fleet of land-based transportation assets and specialty vehicles. Through its wholly-owned subsidiary company GPB Corporation Sdn. Bhd. ("GPB"), the Group is focused on chartering transportation assets to Malaysian Government, companies with substantial fleet requirements, shuttle bus services within university campuses, and ad hoc charters.

Via a strategy of chartering transportation assets, together with drivers, fuel, maintenance costs, and other operational costs, at a fixed rate to our customers, we have been able to consistently secure medium-term service-contracts. Via GPB, we are currently servicing the fleet requirements of the Ministry of Defence for the transportation for the school children of the armed forces personnel nationwide.

On 23 December 2019, GPB was awarded a three (3) year contract from the Ministry of Defence with contract value of up to RM44.2 million starting year 2020. The scope of services to be provided includes providing transportation to and from nominated schools for the children of armed forces personnel nationwide ("pick-up and drop-off services"). The scope of services is focused only for school children residing within the armed forces quarters.

In light that the full delivery of contract value of RM44.2 million were disrupted by the series of movement restrictions imposed by Malaysian Government starting March 2020 to 2021 to curb the widespread of novel coronavirus ("COVID-19"), GPB signed a supplemental agreement with Ministry of Defence on 30 December 2022, extending the contract tenure for another one (1) year, to end at 31 December 2023, and another contract extension to end at 31 March 2024 with additional contract value awarded of RM12.88 million, making it a total contract value of RM57,111,315 from 1 January 2020 to 31 March 2024.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

A) **Business Overview and Operational Update (Cont'd)**

Small Hydropower division (ii)

The Small Hydropower division – Small Hydropower renewable energy ("RE") was created from the acquisition of an effective fifty one percent (51%) equity stake in Perak Hydro Renewable Energy Corporation Sdn Bhd ("PHREC") in late 2013. With effect from 15 April 2021, GCAP Group's equity interest in PHREC rose to sixty percent (60%) with remaining forty percent (40%) stake of PHREC held by Menteri Besar Incorporated (Perak). PHREC is principally involved in developing, maintaining, and operating Small Hydropower plants (which is defined by the Sustainable Energy Development Authority ("SEDA") as hydro plants up to an installed capacity of 30MW). PHREC has been mandated exclusive rights by the State Government of Perak Darul Ridzuan via Water Rights Agreements ("WRA") to act as the master developer and overall coordinator for the development of Small Hydropower plants in the State.

The WRA includes the right to Build, Operate and Own ("BOO") Small Hydropower plants at 31 pre-identified sites approved by the State Government Executive Council, with an estimated total installed capacity of 286.1 MW, for a period of 21 years from the feed-in-tariff ("FiT") commencement date for each site.

The outlook of the RE Sector is highly linked to the FiT system which was legislated under the Renewable Energy Act 2011. It has dramatically improved the commercial viability of the RE industry in Malaysia. The FiT system supports the developers of RE by supporting a premium tariff range for electricity generated from non-fossil fuel sources, such as Small Hydropower schemes, biomass, and biogas. Renewable Energy Act 2011 provides a mandatory requirement for Tenaga Nasional Bhd ("TNB") to buy RE power for a period of 21 years.

In FYE 2019 SEDA moved away from a system of predetermined rates per kilowatt hour ("kWh") for Small Hydropower to an e-bidding system to distribute quota based on competitive bidding ("SEDA e-bidding"). The first e-bidding exercise was held on September 2019 for a total quota of 160 MW installed capacity. The Group, via subsidiary company, Gunung Hydropower Sdn. Bhd. ("GH") won the e-bidding in year 2020 on 10.00MW low head Small hydropower in Sungai Perak, Salu ("Project Salu"). With a tariff of RM0.2898 per kilowatt-hour ("kWh"), we signed the 21 years' Renewable Energy Power Purchase Agreement with TNB ("REPPA") on 12 August 2021.

On 10 May 2022, the Group was announced by SEDA on winning 2021 e-bidding: -

- (i) GH bid and won at RM0.2460/kWh for 8.0 MW high-head small hydropower plant at Sq.Temelong and Sq. Ibul of Perak ("Project Temelong Ibul") where REPPA was signed on 9 December 2022: and
- (ii) 74.64%-owned Kundur Hydro R E Sdn Bhd ("KHRE") bid and won at RM0.2461/kWh for 2.0 MW high-head small hydropower plant at Sq. Geroh of Perak ("Project Geroh") where REPPA was signed on 7 November 2022.

For clarity, Project Salu and Project Temelong_Ibul (collectively referred to as scheme Salu Temelong Ibul) are designed to be developed together and share inter-connection facilities costs.

On 17 November 2022, the Group was announced by SEDA on winning 2022 e-Bidding of the 26 MW high head small hydropower scheme in Pahang, at a tariff rate of RM0.2298/kWh, developing at Sungai Dong, Sungai Lipis, Sungai Kenur and Sungai Kelang in Pahang. REPPA was signed on 21 June 2023.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

A) Business Overview and Operational Update (Cont'd)

(ii) Small Hydropower division (Cont'd)

a) Perak

Via PHREC, GCAP inherited a number of joint venture arrangements with various partners involving various Small Hydropower sites under PHREC's portfolio in Perak.

Out of the 31 pre-identified sites, a total of 10 sites are currently active. These 10 sites with 13 projects being developed by 12 different project companies with a total estimated installed capacity of 111.75MW. All of these active sites have secured FiT approval, and executed RE-Power Purchase Agreements ("RePPA") with TNB, with the exception of 1 project that is still pending the RePPA execution.

10 Active sites

Of the 10 active sites: -

- (a) 2 sites with 3 projects are being developed by 3 project companies owned by the Group. With total installed capacity of 29.00MW, the projects have been completed, commissioned, commenced operation and delivering energy to the National Grid. 9.00 MW of which was commission in April 2022.
- (b) 8 sites with 10 projects are being developed by 9 project companies owned by the Group. With total estimated capacity of 82.75MW, the projects are with FiT approvals with RePPA secured and currently at various stages of engineering, design work, seeking local Government approvals, and tendering out work packages or directly negotiating with suppliers/contractors under construction.

Of which, 22MW are being developed by controlled entities of GCAP Group:-

- 1) 2.0 MW high-head Sg. Geruntum is being developed by 51.00%-owned Conso Hydro R E Sdn. Bhd. ("CHRE"). at FiT rate of RM0.2600/kwh;
- 2.0 MW high-head Sg. Geroh is being developed by 74.64%-owned KHRE, at FiT rate of RM0.2460/kwh;
- 3) 10.0 MW low-head Sg. Perak, Salu is being developed by 96.00%-owned GH, at FiT rate of RM0.2898/kwh; and
- 4) 8.0 MW high-head Sg. Temelong and Sg. Ibul are being developed by 96.00%-owned GH, at FiT rate of RM0.2460/kwh.

By delivering declared annual availability in the FiT scheme to TNB, the Group envisaged revenue potential from 21-years RePPA of RM55.43 million, RM53.07 million, RM399.66 million and RM200.89 million from project Sg. Geruntum, project Sg. Geroh, project Salu and project Sungai Temelong_lbul respectively.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

A) **Business Overview and Operational Update (Cont'd)**

Small Hydropower division (Cont'd) (ii)

a) Perak (Cont'd)

Other sites under WRA

All other sites identified under the WRA are being continually reviewed by PHREC, and prefeasibility studies have, or are being carried out, to determine the economic viability of these sites. As at to date, we have conducted pre-feasibility studies on various sites that pre identified in the WRA. We target to develop a total estimated capacity of at least 174.31 MW for the Group thereafter.

It is valuable to understand that upon the commissioning of each Small Hydropower site under the Group's portfolio, and as energy is sold to the national grid, the contribution to Group earnings will depend on the shareholding structure. Those joint venture companies where the Group has 30% (or less) equity stake, earnings will be at the associate level, and via the distribution of single tier dividends (upon fulfilling the requirements for dividend distribution under the Companies Act 2016). For other sites where the Group has 51% (or more), for instance under Gunung Hydropower Sdn. Bhd., CHRE and KHRE, the earnings will be contributed directly to the Group via the consolidation of earnings and via single tier dividends.

b) Pahang

The Group succeeded in winning 2022 SEDA's e-bidding for 26.00 MW in Pahang at a tariff rate of RM0.2298/kWh, to develop at Sungai Dong, Sungai Lipis, Sungai Kenur and Sungai Kelang in Pahang, collectively referred to as the Pahang Tengah Scheme.

By delivering declared annual availability in the FiT scheme to TNB, the Group envisaged revenue potential from 21-years RePPA of RM688.78 million.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

A) Business Overview and Operational Update (Cont'd)

(iii) Solarpower division

On 5 February 2021, GCAP Group established solarpower division with acquisition of 70% of the Solarcity Malaysia Sdn. Bhd. ("Solarcity"). Through this arrangement, the Group has strategically position itself to participate in projects relating to solar energy.

Since the inception, Solarcity has secured nine (9) 25-years power purchase agreement ("PPA") of 25.01MWdc and in the midst of series of negotiations to securing PPA for at least 80MWdc.

Of which, Solarcity has successfully commission Solar PV projects to six (6) customers totalling 23.01MWdc:-

- (a) 1,100 kWdc for De-Luxe Food Services Sdn. Bhd. in Pulau Indah, Selangor on 5 September 2021 before Aryzta Food Solutions Sdn Bhd succeeding as owner of the premises and GCAP Group inked PPA with the latter;
- (b) 1,200.96 kWdc for Muda Pasifik Sdn. Bhd. in Senai, Johor on 19 January 2022;
- (c) 3,006.72 kWdc for Muda Paper Mills Sdn. Bhd. in Simpang Ampat, Penang on 16 February 2022 and 507.28 kWdc extension on 15 September 2022;
- (d) 3,006.72 kWdc for Muda Paper Converting Sdn. Bhd. in Simpang Ampat, Penang on 26 March 2022 and 309.28 kWdc extension on 19 August 2022;
- (e) 7,000 kWdc for Evergreen Fibreboard Berhad in Batu Pahat, Johor on 1 July 2022; and
- (f) 2,380.32 kWdc for Chin Well Fasteners Co. Sdn. Bhd. in Penang on 15 November 2022.

(iv) Water division

On 28 February 2022, the Group acquired 51% equity interest in G Capital Water Solutions Sdn. Bhd. ("GCWS"). Through this arrangement, the Group has ventured into providing water solutions and aims to aims to be a public utilities solution provider which offers comprehensive and holistic solutions in addressing the NRW issues.

In FYE 2023, the Group has recorded a revenue of RM2.74 million (2022: RM7.99 million). The Group will continue to build its track records in reducing Malaysia's NRW by securing more projects.

(v) Investment division

The financial assets investment division was formed to allocate excess cash reserves to selective short-term and medium-term financial assets (i.e. liquid financial assets) to secure a competitive return above the prevailing cash deposit rates.

Management is continually evaluating financial asset alternatives which secure the Group a competitive return, with low risk profile characteristics. Investment portfolio held has generated a fair value gain of RM0.33 million and loss on divestment of RM2,000 in FYE 2023 (FYE 2022: fair value loss of RM11.25 million and gain on divestment of RM0.35 million).

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.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights

Highlights of GCAP Group's Financial Information (5-years) (i)

	For the financial year ended 31 December				
	2019	2020	2021	2022	2023
Revenue (RM'000)	16,823	11,620	7,497	26,875	26,256
Profit before tax (RM'000)	(12,613)	364	491	(20,793)	(13,231)
Profit after tax (RM'000) Net profit attributable to	(12,161)	1,209	375	(20,447)	(13,113)
owners of GCAP (RM'000)	(11,624)	1,709	1,231	(18,676)	(9,761)
Shareholders' equity	00.000	440.400	405.000	405.000	00.700
(RM'000)	88,860	119,493	125,020	105,009	98,763
Total assets (RM'000) Borrowings (excluding	99,235	128,790	171,072	180,614	176,565
lease liabilities) (RM'000)	2,161	2,079	21,130	44,983	48,785
Net debt-to-equity	nm	nm	0.11	0.26	0.46
Basic EPS (Cent)	(4.92)	0.66	0.39	(5.82)	(3.03)
Diluted EPS (Cent)	(4.92)	0.63	0.39	(5.82)	(3.03)
Net assets per share (RM)	0.39	0.40	0.41	0.35	0.31
Dividend per share (RM)	-	-	-	-	-

(ii) **Review of Financial Performance and Financial Position**

(a) Revenue Analysis: -

Segments	FYE 2023	FYE 2022	Change	
	RM'000	RM'000	RM'000	%
Transportation segment	17,447	16,233	1,214	7.5%
Small Hydropower segment	-	-	-	-
Solarpower segment	6,073	2,652	3,421	>100%
Water segment	2,736	7,990	(5,254)	(65.8%)
Investment holding and others	-	29	(29)	(100%)
_	26,256	26,904	(648)	(2.4%)
Inter-segment adjustments	-	(29)	29	` -
Total revenue	26,256	26,875	(619)	(2.3%)

Group revenue for FYE 2023 was derived mainly from the transportation division, followed by solar power division and water division.

The Group's portfolio of Small Hydropower plants is at the development and construction phase, with no dividend income generated from the hydropower plants commissioned and selling energy to the national grid, at this stage.

Group revenue for FY 2023 made a small dip by RM619K from FYE 2022 to RM 26.3 million (FYE 2022: RM26.9 million). Higher revenue derived from transportation service to MINDEF with higher number of children delivered for schooling earning revenue of RM17.4 million in FYE 2023 (FYE 2022: RM16.2 million) which comprised of 66.5% of total Group revenue for the financial year (FYE 2022: 60.4%).



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

(ii) Review of Financial Performance and Financial Position (Cont'd)

(a) Revenue Analysis (Cont'd): -

Solar power division formed 23.1% (FYE 2022: 9.9%) to the Group's total revenue with the nine (9) (2022: eight (8)) Solar PV system in operation.

The water division contributed RM2.73 million (FYE 2022: RM7.99 million), accounting for 10.4% to the Group's total revenue with the contract revenue from NRW projects.

(b) **EBITDA Analysis: -**

Segments	FYE 2023	FYE 2022	Change	
	RM'000	RM'000	RM'000	%
Transportation segment	(1,573)	(4,934)	3,361	68.1%
Small Hydropower	(1,765)	(1,433)	(332)	(23.2%)
segment				
Solarpower segment	3,588	1,803	1,785	99.0%
Water segment	(3,586)	(300)	(3,286)	(>100%)
Investment holding and				
others	(10,042)	(23,131)	13,089	56.6%
	(13,378)	(27,995)	14,617	52.2%
Inter-segment adjustments	6,769	11,665	(4,896)	(42.0%)
Total EBITDA	(6,609)	(16,330)	9,721	59.5%

The Group recorded EBITDA loss of RM6.61 million compared to EBITDA loss of RM16.33 million in FYE 2022.

Despite higher revenue contributions, transportation segment ended with EBITDA loss of RM1.57 million (FYE 2022: EBITDA loss of RM4.93 million) with a margin contraction, coupled with impairment in goodwill of RM0.81 million (FYE 2022: RM4.4 million).

EBITDA loss for the Small Hydropower division has not change significantly. This loss reflects the cost of in-house engineers, administration expenses, and the costs associated with procuring the necessary approvals from the relevant State Government authorities the Group's portfolio of Small Hydropower sites.

EBITDA profit from Solarpower segment grew to RM3.59 million from RM1.80 million in FYE 2022. Lower revenue in FYE 2022 when there were multiple Solar PV System commissioned in stages.

Water division recorded an EBITDA loss of RM3.59 million (FYE 2022: EBITDA loss of RM0.3 million), mainly attributable to a RM1.48 million specific provision for foreseeable losses recognised in FYE 2023 on top of usual operating and administrative expenses.

Affected by the following one-off items, investment holding division is better off in FYE 2023:-

- i) lesser adverse price movements of the quoted investment held, with RM334K fair value gains recognised on the back of making marginal realised loss of RM2K on divestment made (FYE 2022: fair value loss of RM11.25 million and gain on divestment of RM0.35 million).
- Impairment loss of advances and investment in subsidiaries of RM6.77 million (FYE ii) 2022: RM11.67 million).



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

Review of Financial Performance and Financial Position (Cont'd) (ii)

Assets and Liabilities Analysis: -

Segments assets	31-Dec-23	31-Dec-22	Change	
	RM'000	RM'000	RM'000	%
Transportation segment	7,115	7,851	(736)	(9.4%)
Small Hydropower segment	41,226	49,688	(8,462)	(17.0%)
Solarpower segment	95,674	98,383	(2,709)	(2.8%)
Water segment	4,241	5,487	(1,246)	(22.7%)
Investment holding and others	102,205	92,974	9,231	9.93%
	250,461	254,383	(3,922)	(1.5%)
Inter-segment adjustments	(73,896)	(73,769)	(127)	0.2%
Total assets	176,565	180,614	(4,049)	(2.2%)

Decreased of RM0.73 million assets in transportation segment mainly attributable to impairment of goodwill of RM0.81 million.

Segmental assets from Small Hydropower projects continues with the progress of projects, with RM0.62 million (FYE 2022: increase of RM3.71 million) added to capital work-inprogress end at RM27.46 million (2021: RM26.85 million) and RM46K (FYE 2022: RM2.21 million) fair value loss on equity investments at fair value through other comprehensive income.

Assets from solarpower division mainly comprises of plant and equipment, capital workin-progress and fair value of contract asset acquired through business combination of RM65.47 million, RM5.55 million and RM22.04 million respectively (2022: RM55.98 million; RM16.81 million and RM22.99 million respectively). Movements therefrom are due to depreciation charges of RM1.67 million and amortisation of contract assets of RM0.95 million.

Assets from water division mainly comprises of plant and equipment of RM300K (2022: RM366K) and rights-of-use assets of RM27K (2022: RM58K) respectively, the rest of assets comprises of financial assets.

Total assets from Investment holding segment increased by RM9.23 million, mainly attributable to the increase in quoted investments held of RM11.08 million (generated a fair value gain of RM334K), receipts from exercises of ESOS of RM1.49 million and reduced by expenses incurred for the period. As of 31 December 2023, the Group is a substantial shareholder to own 9.49% equity interest in Majuperak Holdings Berhad (KLSE: 8141) (2022: 7.67%).



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

(ii) Review of Financial Performance and Financial Position (Cont'd)

(c) Assets and Liabilities Analysis (Cont'd): -

Segments liabilities	31-Dec-23	31-Dec-22	Cha	inge
	RM'000	RM'000	RM'000	%
Transportation segment	2,930	2,090	840	40.2%
Small Hydropower segment	34,368	40,795	(6,427)	(15.8%)
Solarpower segment	77,902	78,298	(396)	(0.5%)
Water segment	8,083	5,438	2,645	48.6%
Investment holding and				
others	26,089	17,052	9,037	53.0%
	149,372	143,673	5,699	4.0%
Inter-segment adjustments	(73,896)	(73,769)	(127)	(0.2%)
Total liabilities	75,476	69,904	5,572	8.0%

Total liabilities continue to be well managed, rising from 42.75% of total assets in 2023 (38.70% of total assets in 2022), mainly incurred for solarpower division, small hydropower division and investment holding division.

(d) Impairment loss on assets: -

Impairment loss on	FYE 2023	FYE 2022	Cha	nge
	RM'000	RM'000	RM'000	%
Goodwill	810	4,425	3,615	81.7%
Trade receivables	82	3	(79)	(>100%)
Other receivables	(47)	45	`92	`>100%

During FYE 2023, the Group impaired RM0.81 million (FYE 2022: RM4.43 million) remaining goodwill of Transportation segment.

Impairment of RM82K (FYE 2022: RM3K) and reversal of impairment of RM47K (FYE 2022: impairment loss of RM45K) were made to trade receivables and other receivables respectively.

Save for abovementioned, there's no other material impairment on assets was made during the financial period under review.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

Review of Financial Performance and Financial Position (Cont'd) (ii)

Trade receivables: -

Trade receivable credit terms granted to related parties are no different from those granted to non-related parties, which are between 30-120 days.

As at 31 December 2023, trade receivables of the Group were contributed by water division, solar division and transportation division at 53.82%, 23.01% and 23.17% respectively (31.12.22: 82.45% from water division, 17.55% from solar division).

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:

←Past due but not impaired					Total past	
	<30	31-60	61-90	91-180		due but not
RM'000	days	days	days	days	>180 days	impaired
FYE 2023	55	132	308	-	1,119	1,614
FYE 2022	1,059	127	74	205	697	2,162

The past due trade receivables above 90 days are collectable.

The Group still in pursue to recover RM4,979,003.10 ("Outstanding Sum") from the Ministry of Defence ("MINDEF") via legal recourse, despite a full impairment was made in FYE 2019.

The Outstanding Sum was in relation to goods and services provided under a contract with previous administration, for the provision of bus rental services and food provided under Program Latihan Khidmat Negara for the period commencing from 26 December 2014 to 25 December 2019.

The process of collection will continue and upon receipt of payment, management will reverse out the impairment provision.

(f) Other payables: -

RM2.79 million (2022: RM2.72 million) of other payables related to an amount due to the majority shareholder of a completed hydropower plant under PHREC.

In the earlier days, the shareholders of such hydropower plant consented capitalisation of shareholders' advances into equity. It was agreed that PHREC is to contribute accordingly to maintain the shareholding structure and such contribution shall be only made via offset of future dividends to be declared by such hydropower company.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

(ii) Review of Financial Performance and Financial Position (Cont'd)

(g) Borrowings: -

Group borrowings are as follows: -

RM'000	Non-current	Current	Total
2023 Project financing term loan	16,807	31,978	48,785
2022 Project financing term loan	41,943	3,040	44,983

Term loan of a subsidiary financing the Small Hydropower project development is bearing floating interest rate of lender's Base Lending Rate ("BLR") plus margin, being 7.65% p.a. as at 31 December 2023 (2022: 7.40% p.a.).

Term loans of a subsidiary financing solarpower projects are bearing floating interest rate of at lenders' Cost of Funds ("COF") plus margin, ranging from 4.70% - 6.58% p.a. as at 31 December 2023 (2022: 4.28% - 5.96% p.a.).

(h) Profit/(loss) before tax: -

Segments	FYE 2023	FYE 2022	Cha	nge
	RM'000	RM'000	RM'000	%
Transportation segment	(1,576)	(4,936)	3,360	68.1%
Small Hydropower segment	(1,945)	(1,473)	(472)	(32.0%)
Solarpower segment	(3,430)	(2,309)	(1,121)	(48.5%)
Water segment	(3,891)	(1,332)	(2,559)	(>100%)
Investment holding and others	(9,157)	(22,408)	13,251	59.1%
	(19,999)	(32,458)	12,459	38.4%
Inter-segment adjustments	6,769	11,665	(4,896)	(42.0%)
Total (loss)/profit before tax	(13,230)	(20,793)	7,563	36.4%

The Group recorded loss before tax of RM13.23 million, compared to loss before tax of RM20.79 million in FYE 2022. This were mainly attributable to the following:-

- lesser adverse price movements of the quoted investment held, with RM334K fair value gains recognised on the back of making marginal realised loss of RM2K on divestment made (FYE 2022: fair value loss of RM11.25 million and gain on divestment of RM0.35 million);
- ii) lower impairment on goodwill. RM0.81 million of remaining goodwill impaired on transportation division (FYE 2022: RM4.42 million);
- iii) Higher human capital costs of RM3.0 million. RM7.69 million in FYE 2023 (FYE 2022: RM4.69 million) where RM2.08 million was share-based payment expenses recognised on ESOS granted.
- iv) Depreciation and amortisation were RM604K higher in FYE 2023 with RM4.13 million (FYE 2022: RM3.53 million)
- v) One-off provision for foreseeable losses of RM1.48 million (FYE 2022: NIL)
- vi) Interest expenses increased by RM1.31 million to RM2.42 million (FYE 2022: RM1.11 million)



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

B) Financial highlights (Cont'd)

Review of Financial Performance and Financial Position (Cont'd) (ii)

Profit/(loss) before tax (Cont'd): -

Profit/(loss) before tax is arrived at after (charging)/crediting: -

	FYE 2023	FYE 2022	Cha	ngo
	RM'000	RM'000	RM'000	iige %
Amortisation of intangible				
assets	(955)	(1,761)	806	45.8%
Bargain purchase	-	58	(58)	(100%)
Depreciation of: -			` '	, ,
- Property, plant and				
equipment	(3,091)	(1,679)	(1,412)	(84.1%)
- Rights-of-use assets	(83)	(85)	2	2.4%
Effect of discounting on: -				
- Other receivables	-	219	(219)	(100%)
- Other payables	(73)	(102)	29	28.4%
Employment expenses: -				
- Director fees	(154)	(141)	(13)	(9.2%)
- Salaries and allowances	(4,616)	(3,755)	(861)	(22.9%)
- Employees' Provident Fund				
Contributions	(537)	(430)	(107)	(24.9%)
- Share-based payments	((a. a.a. ::	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
expenses	(2,084)	-	(2,084)	(100%)
- Social Security	(0.0)	(0.4)	/- \	(00.00()
Contributions	(38)	(31)	(7)	(22.6%)
- Other emoluments	(19)	(45)	26	57.8%
- Others	(245)	(284)	39	13.7%
Expenses relating to short	(040)	(000)	4.5	C 40/
term leases FVTPL	(218)	(233)	15	6.4%
	334	(11,250)	11,584	>100%
Gain/(loss) on disposal of: Investments	(2)	247	(240)	(>100%)
Impairment loss on: -	(2)	347	(349)	(>100%)
- Goodwill	(810)	(4,425)	3,615	81.7%
- trade receivables	(82)	(3)	(79)	(>100%)
- other receivables	(02) 47	(45)	92	>100%)
Interest income	9	62	(53)	(85.5%)
Interest expense: -	5	02	(55)	(00.070)
- Borrowings	(2,408)	(1,102)	(1,306)	(>100%)
- Lease liabilities	(19)	(1,102)	(4)	(26.7%)
Provision for foreseeable	(10)	(10)	(')	(=0.1 /0)
losses	(1,481)	_	(1,481)	(100%)
Write-off: -	(. ,)		(1,101)	(10070)
- Property, plant and				
equipment	-	(240)	240	100%
• •		` '		



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

C) Other highlights

(i) Capital Requirements, Structure & Resources

As at 31 December 2023, we have committed capital expenditure of RM13.58 million for 2.00 MW Sg. Geruntum project. The Group at the verge of completing fund raising for 2.00 MW Sg. Geroh, 10.00 MW Sg. Salu, 8.00 MW Sg. Temelong_Ibul and 26.00 MW Pahang Tengah Scheme. After which, contracts to construct such projects will only be awarded.

Under 60%-owned PHREC, various Small Hydropower projects have been assigned to joint venture companies ("JVC"), of which PHREC holds associate and investment equity stakes only. These active JVC's have secured project financing facilities and any capital shortfall is provided by the majority shareholder. As such, it is unlikely that the Group will be required to provide additional capital for capital expenditure via PHREC.

For FYE 2024 the management does not foresee a requirement to expand or purchase fleet of vehicles for the transportation segment.

As at 31 December 2023, we have committed to RM0.81 million capital expenditures on solarpower projects. We are optimistic the growth of solar power division with continuous support from banks.

(ii) 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 when purchasing mechanical and electrical equipment for selected Small Hydropower projects (EUR and USD). Our current contingent liability exposure to foreign exchange movements is less than EUR 100,000.

(iii) Known Trends and Events

(a) Transportation division

On 22 December 2023, the Group received an award from Ministry of Defence Malaysia ("Mindef") to extend the contract tenure for another three (3) months to end at 31 March 2024 with additional contract value awarded of RM4.471 million; making it a total contract value of RM57,111,315 from 1 January 2020 to 31 March 2024.

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. A supplemental Agreement with MINDEF dated 30 December 2022 extended the contract tenure by one (1) year to 31 December 2023 with additional contract value of RM8.409 million.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

C) Other highlights (Cont'd)

Known Trends and Events (Cont'd)

Small Hydropower division

The Group remains committed to completing the construction of the Small Hydropower projects in medium term, looking forward to commissioning more Small Hydropower projects.

Completion and commissioning of those project owned by subsidiary companies will have sustainable positive contribution directly to the Group's revenue, earnings, and cash flows.

With WRA in possession for 31-pre-identified sites in Perak (10 sites are currently active), the Group is in upper hand compared to other players that intending to venture into Small hydropower plants ownership in Perak.

(c) Solarpower division

As of to-date, Solarcity has secured nine (9) 25-years power purchase agreement ("PPA") of 25.01 MWdc and in the midst of series of negotiations to securing PPA of at least 80 MWdc.

Of which, we have commissioned 23.01MWdc thus far and looking forward to commissioning the balance of 2.00MWdc over the coming months.

We are pivoting on the success stories on RE and continue scaling up our solar power business division. By leveraging on the PPA, we have been able to help with the transition into RE for business owners and corporates. This helps us to move closer towards our national goal of decarbonisation and through the PPA, our corporate clients also benefit from the cost-savings in their electricity bills.

Anticipated or Known Risks

(a) Transportation division

Risk factors include execution risks such as availability of manpower, fleet capacity, breakdown of coaches/ transportation assets, and/or political, economic and regulatory conditions. The Government has the right to terminate the service-contract in the event that there is a failure by the contractor to execute any of the obligations under the contract, and breach of the terms and conditions of the contract. Notwithstanding, the Group has established a successful track record undertaking Government service-contracts.

The Group is waiting for the result of the open tender for the similar contract for term 2024-2027 and exploring alternative sustainable transportation solutions in alignment with Sustainable Development Goals ("SDG") 11 Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable.

The growth of the Solarpower division and Water division will continue to reduce dependency incomes solely from chartering land-based transportation assets & specialty vehicles.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

C) Other highlights (Cont'd)

(iv) Anticipated or Known Risks (cont'd)

(b) Small Hydropower division

Risk factors such as market risk, competition risk and pricing fluctuation risks for the Small Hydropower schemes has been substantially mitigated by the Feed-in Tariff (FiT) system that offers a premium tariff for electricity generated from non-fossil fuel sources, such as Small Hydropower schemes, under the Renewable Energy Act 2011.

The Group has taken into consideration the move of SEDA in year 2019, away from a system of predetermined rates per kilowatt hour ("kWh") for Small Hydropower to an ebidding system to distribute quota based on competitive bidding, for new proposed Small Hydropower projects.

Despite the need for bidding, there is no urgency for the Group to bid the lowest when the Group has sheltered from the WRA. The WRA has allowed PHREC with a non-competition clause/exclusivity in the utilisation of State water and land assets for the purposes of building, operating and owning Small Hydropower plants.

Inherent to the RE sector in Malaysia, are both government policies and short-term foreign exchange risks. Changes in existing Government policies regarding RE can greatly affect the commercial viability of RE. The mechanical and electrical equipment for Small Hydropower schemes are mainly procured from overseas manufacturers, which poses a short-term foreign exchange risk for the Group.

There are business risks associated with the performance of contractors for civil works, mechanical & electrical components of Small Hydropower schemes, and the appointed engineers and consultants. Due to potential penalties imposed by TNB (under the RePPA) for delays in the commissioning and export of energy supply and non-delivery of the agreed upon annual energy commitment. The management mitigates these risks, by procuring financial performance guarantees from the relevant contractors and suppliers, equal to or greater than the maximum penalties that can be imposed on the Group. Financing risk must also be considered, including availability of financing and single customer limits of financial institutions. Depending on the type of financing/financing instrument, the borrowing, contingent liabilities, and gearing level of the Group will increase.

Any breach of a debt financing instrument's covenants, and failure to meet the timely interest and principal payments may result in default. Nevertheless, the management will exercise due care in considering the financing methods and the merits of the financing required. Management does not consider the single customer risk as significant (with TNB), due to the strong credit rating of TNB, and that each RePPA specifically provides for a twenty-one (21) year tenure.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

C) Other highlights (Cont'd)

Anticipated or Known Risks (Cont'd)

Solarpower division

The Group, via Solarcity, is offering long term energy cost saving program. Under which, a long-term power purchase agreement ("PPA") will be signed with client, together with operation and maintenance of the Solar PV System.

Thorough credit check shall be carried out before signing PPA to mitigate the credit risks, including but not limiting to request corporate guarantee or collection arrangement via TNB.

Business risks associated with the performance of EPCC contractors is carefully evaluated. EPCC of Solarcity's project will be awarded to contractor with established track records and financially sound to complete the project to be awarded. We have established project steering committee to monitor the performance and progress of the projects closely. This has thus led to our successful commissioning of 8 Solar PV Systems for 6 customers as of to-date and positioned the Group as one of the key providers in clean energy. We believe that profitability will be one of the by-products.

Water division (d)

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer.

As at 31 December 2023, Water division has the highest exposure to credit risk compared to the other divisions in the Group, as the trade receivables past due but not impaired from this segment made up to 100% of the Group's total trade receivables past due but not impaired. (2022: 95.14% from water division and 4.86% from Solarpower division).

Business Strategies and Future Development D)

The Group cheered to receive the Budget 2024 announced by the tenth (10th) Prime Minister Datuk Seri Anwar Ibrahim on 13 October 2023, amongst other:-

- Bank Pembangunan Malaysia Berhad Strategic Financing will be subsidising 1.5% of (i) finance cost payable to include maritime & logistic scheme and allocating up to RM 1.2 billion for sustainable development financing scheme;
- (ii) Extension of Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) to 31 December 2026;
- (iii) Green Technology Financing Scheme (GTFS 4.0) up to RM 1 billion until 2025; and
- (iv) RM 3.7 billion allocated to large-scale solar generation initiatives by Tenaga Nasional Berhad, including to supply electricity to government buildings in Putrajaya.

We see these measurements indicating the 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.



FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

D) Business Strategies and Future Development (Cont'd)

(i) Transportation division

We expect the transportation division to play a smaller role in contributing to earnings growth in the future to give way to sustainability-linked businesses of the Group, including the Small hydropower, Solarpower and water division.

(ii) Small Hydropower division

As part of our vows to SDG 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure and SDG 13 Climate Action, the Group is committed to completing the construction and commissioning of the 48.00MW Small Hydropower projects with RePPA (22.00MW in Perak and 26.00 MW in Pahang) in medium term, and looking forward to securing more Feed-in Approvals from FiT scheme.

Along with organic growth, the management will also consider consolidate the Group's position in the Small Hydropower segment, via further acquisitions of additional installed capacity.

(iii) Solarpower division

As of to-date, Solarcity has secured nine (9) 25-years power purchase agreement ("PPA") of 25.00MWdc and in the midst of series of negotiations to securing PPA of at least 80MWdc.

Of which, the Group has commissioned 23.01MWdc thus far and looking forward to commissioning the balance of 2.00MWdc over the coming months.

In addition to growing through organic and merger and acquisition for existing clientele of commercial and industrial sector, the Group is assessing the opportunities to take part in the bidding of 2,000 MWac Large Scale Solar programme ("LSS 5") announced on 1 April 2024 by the Energy Commission ("EC" or "ST") under the Ministry of Energy Transition and Water Transformation ("PETRA").

(iv) Water division

In participating to fulfilment to SDG 6: *Clean Water and Sanitation*, the Group is in relentless pursuit to spread the knowledge and importance of reduction in Non-Revenue Water ("NRW"). The Group is at various stages of negotiation with various parties for the purpose.

(v) Returns to shareholders

The Board of Directors has not proposed a dividend/distribution policy as at FYE 2023, based on upcoming capital expenditure requirement for the Small Hydropower, Solarpower and water division of the Group.

When the businesses able to be self-sustained, the Board of Directors may propose to implement and continually revise a dividend/distribution policy.

At the end of another year, management would like to express appreciation to all our staff and our Board of Directors for their continued commitment to drive our growth and maintain our services standards. We would also like to thank our valued customers, suppliers, business associates, bankers, regulatory authorities, and other stakeholders for their continued support and trust. To our shareholders, a special thanks for their continued support and confidence in GCAP Group. With support, we will strive even further to enhance sustainable shareholder value.



SUSTAINABILITY STATEMENT

1. **Our Approach to Sustainability**

1.1 **Sustainability Governance**

The Group's sustainability governance structure is integrated into our corporate governance framework. As the Group looks to ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees by virtue of delegation.

Our Sustainability Steering Committee ("SSC"), chaired by the Chief Sustainability Officer, assists the Board Committees with strategic management of the organisation's material sustainability matters. SSC acts both as subject matter experts and coordinates the Groups' efforts and performance (including undertaking the materiality assessment process). The SSC is represented by senior management, finance managers and head of business division.

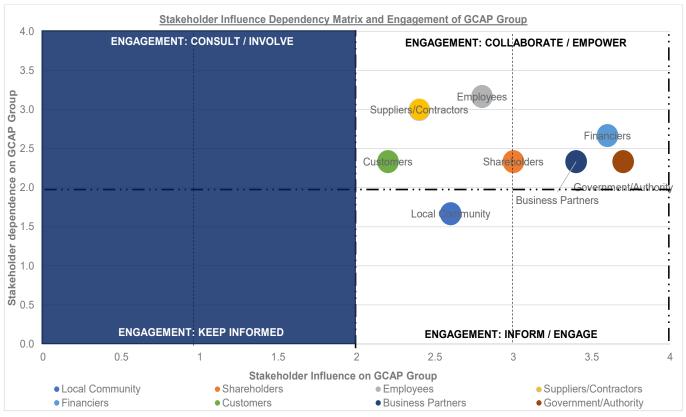
Under the purview of the SSC is the Sustainability Working Group ("SWG"), represented by head of departments. The SWG is responsible for the day-to-day implementation of the organisation's strategies and plans.



1. Our Approach to Sustainability (Cont'd)

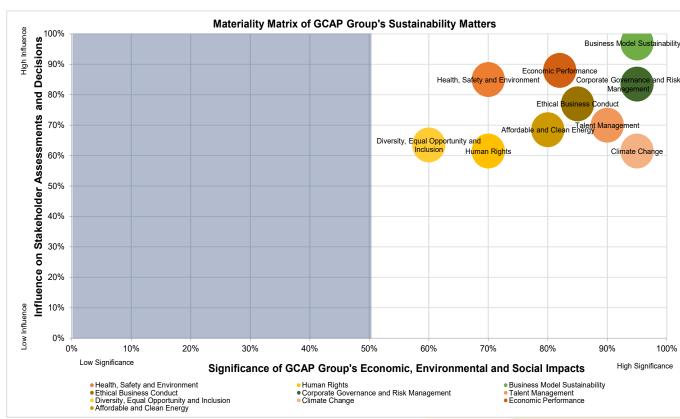
1.2 Stakeholder Engagement

Through the stakeholder engagement framework adopted, we are engaging our stakeholders as shown below.



1.3 Material Matters

We have conducted a materiality assessment and arrived at the following material matters.





1. Our Approach to Sustainability (Cont'd)

1.3 Material Matters (Cont'd)

The Material Matters are then mapped into our 3 Priority Areas as follows:

Priority	Priority Area	Material Matters	Strategic Objective of Our Initiatives
1	Strengthening Our Core	Business Model Sustainability Corporate Governance and Risk Management Ethical Business Conduct Economic Performance	Complementing Tenaga Nasional Berhad in providing energy solutions: i) Clean Energy Generation (focusing on small hydropower activities, solar photovoltaic energy generating systems) ii) Promoting efficient use of energy and reducing carbon footprint Providing non-revenue water solutions to reduce water loss and improve water efficiency Providing transportation solutions, including school buses to children of armed forces personnel in Malaysia
2	Empowering Our People	5) Diversity, Equal Opportunity and Inclusion 6) Health, Safety and Environment 7) Human Rights 8) Talent Management	Cultivate an empowered workforce to develop more sustainable approaches. Create positive impacts to society with real commitment to supporting social and environmental issues.
3	Caring for Our Environment	9) Affordable and Clean Energy 10) Climate Change	Helping businesses lowering down cost of doing business with providing affordable clean energy and energy efficiency solutions and combating climate change along the process.



Our Approach to Sustainability (Cont'd) 1.

1.4 **Sustainability Framework**

Our sustainability framework has been refined to align with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Strengthening Our Core, Empowering Our People, and Caring for the Environment. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters.

Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we are able to track our progress and ensure that we are making continuous improvements towards these targets.

Our Vision: To provide sustainable solutions which enhances the lives of our community

Our Mission: To develop sustainable properties with advanced technology and smart solutions, while minimising our impact on the environment and delivering projects that benefit our community

Our Focus Area	ıs
----------------	----

Strengthening Our Core

Creating value for stakeholders while upholding transparency and accountability

Empowering Our People

Fostering an inclusive and diverse promoting culture, employee wellness, and supporting local community

Caring for the Environment

Reducing carbon footprint and Minimizing environmental impacts of our operations

Business Model Sustainability

Diversity, Equal Opportunity and Inclusion

Affordable and Clean Energy

Corporate Governance and Risk Management

Health, Safety and **Environment**

Climate Change

Ethical Business Conduct

Human Rights

Economic Performance

Talent Management

In alignment to:-

































1. Our Approach to Sustainability (Cont'd)

1.5 **Performance Scorecard**

Below are our key targets and progress to date:

Focus Areas	Material Matters	Targets	Current Progress against Targets
Strengthening Our Core	Business Model Sustainability	Business model should be sustainability-linked	Transportation division, Solarpower division, small hydropower division and water division are sustainability-linked.
	CG and Risk Management	i) Zero CG failure ii) Zero significant control deficiencies	No CG failure and significant control deficiencies reported by the auditors.
	Ethical Business Conduct	Zero fraud and corruption annually	No fraud and corruption reported.
	Economic Performance	All business division with positive Adjusted EBITDA	Small hydropower division, water division, and investment holding division are working towards profitability.
Empowering Our People	Diversity, Equal Opportunity and Inclusion	Increase participation of women in leadership roles at the directorship and management level to 30% by 2025	20% directorship held by women in 2023
	HSE	Zero fatality annually	No fatality reported.
	Human Rights	Zero substantiated complaints concerning human rights violations annually	No substantiated complaints reported.
	Talent Management	8 hours per talent undergoing structured training and CPD	8.7 hours achieved on average invested.
Caring for the Environment	Affordable and Clean Energy	30 MWdc Solar PV Systems operating under PPA	Only 23.01 MWdc Solar PV Systems operating under PPA.
	Climate Change	i) Reduce absolute GHG emissions for Scope 1 and Scope 2 by 10% from the 2022 baseline by 2030 ii) Reduce energy consumption by 10% from the 2022 baseline by 2025	First year of target setting

Legend: progress tracking On track to meeting set targets Falling short on meeting target for 1 year, review current practices Falling short on meeting target for more than 2 years, review and revise targets (if necessary)



2. Our Approach for Material Matters

2.1 Business Model Sustainability

A) Our Approach

1) Identifying Material Issues and Goals:

Materiality Assessment: We studied challenges faced by our society. We then assessed how the business direction and model can fit to address environmental concerns (energy use, waste generation), social aspects (employee well-being, diversity), or economic factors (resource efficiency).

Therefrom, we have ascertained our sustainable value creation to the society includes:-

- i) Complementing Tenaga Nasional Berhad, the national utility in providing energy solutions:-
 - 1) Clean Energy Generation (focusing on small hydropower activities, solar photovoltaic energy generating systems); and
 - 2) Promoting efficient use of energy and reducing carbon footprint
- ii) Providing non-revenue water solutions to reduce water loss and improve water efficiency
- iii) Providing transportation solutions, including school buses to children of armed forces personnel in Malaysia

2) Selecting and Tracking Metrics:

Choose Measurable Metrics: These metrics should be quantifiable and allow us to monitor performance over time, performance metrics includes:

- i) Environmental: Clean energy generated, Non-revenue water reduction.
- ii) Economic: Revenue earned from Sustainability-linked business activities.
- iii) Social: Employee turnover rate, safety incident rate, diversity & inclusion metrics.

B) Our Achievements in 2023

1) Clean energy generated which reduces scope 2 carbon emission

i) Solarpower: 20,609 MWh (2022: 11,656 MWh); and

ii) Hydropower: 141,180 MWh (2022: 145,796 MWh)

2) Non-revenue water saving

i) 1,355 MLD Water saved (2022: 586 MLD)

3) Resolving schooling logistic issues of armed personnel's children

- i) 134,955 children schooled in West Malaysia (2022: 127,710); and
- ii) 28,492 children schooled in East Malaysia (2022: 24,556)

C) Moving Forward

Our focus remains on propelling sustainable growth, refining our products and services offerings to meet the evolving needs of the Malaysian market and society. We're achieving this through a relentless pursuit of innovation and leveraging technological advancements.

We believe our businesses were not just about numbers, but about the positive ripples we created through the businesses and talents we empowered, making the world a better place with a little more sustainable and a little more just.



2. Our Approach for Material Matters (Cont'd)

2.2 **Corporate Governance and Risk Management**

A) Our Approach

We're committed to upholding the highest standards of corporate governance, as outlined in the Malaysian Code on Corporate Governance (MCCG 2021), Our 2023 Annual Report details our application of the three key principles: Board Leadership and Effectiveness, Effective Audit and Risk Management, and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

B) Our Achievements in 2023

We're proud to report that in 2023, we achieved a high degree of compliance with the recommended MCCG 2021 best practices. This reflects our ongoing commitment to transparency, accountability, and risk management.

C) Moving Forward

While we're pleased with our progress, we're constantly striving for excellence. Here's how we plan to elevate our corporate governance in the coming year:

- 1) Strengthening Board Capabilities: We're committed to enhancing director training programs to ensure our board possesses the most up-to-date knowledge and skills to navigate the evolving business landscape.
- 2) Enriching Board Diversity: We recognise the value of a diverse board and will actively pursue opportunities to broaden the range of experience, skills, and perspectives represented on the board. This includes exploring the inclusion of directors with expertise in sustainability.
- 3) Optimizing Committee Structure: To ensure maximum effectiveness, we're evaluating the workload and focus areas of the Audit and Risk Committee and the Sustainability Committee. This may involve separating them to allow for deeper dives into each critical area.

By implementing these initiatives, we aim to:

- 1) Maintain stakeholder trust and confidence through transparency and strong governance practices.
- 2) Drive sustainable long-term growth by leveraging diverse perspectives and fostering a culture of innovation.



2. Our Approach for Material Matters (Cont'd)

2.3 Ethical Business Conduct

A) Our Approach

The Board and senior management remain committed to conducting business with integrity, guided by our Code of Conduct ("COC"). The COC communicates our fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities.

The Group's zero tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy, which is aligned with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

All new joiners undergo an induction programme where they are required to familiarize themselves with the Group's COC, ABC Policy, and other accompanying policies and procedures.

Our suppliers are also subject to anti-bribery and corruption guidelines as entailed within the ABC Policy. All suppliers will need to sign a declaration indicating their agreement to abide by the guidelines and policies set forth by GCAP in their business dealings.

The Group has made our COC, ABC Policy and Whistleblowing Policy available on our corporate website to ensure they are accessible to all stakeholders.

B) Our Achievements in 2023

As of 31 December 2023, we recorded zero incidents of corruption across our business operations. (2022: Nil).

C) Moving Forward

While we're pleased with our progress, we're constantly striving for excellence. Here's how we plan to elevate ethical business conduct in the coming year:

- Regular Review: Periodically review and update our code of conduct, compliance programs, and training materials to reflect changes in regulations and industry best practices.
- 2) Benchmarking: Learn from other companies known for their ethical practices. Consider industry best practices and adapt them to our needs.



2. Our Approach for Material Matters (Cont'd)

2.4 **Economic Performance**

A) Our Approach

Our approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as pursuing market expansion through diversification and growing through merger and acquisition.

B) Our Achievements in 2023

Stakeholders	Key outcomes (quantitative)	2021	2022	2023
Customers	Exchanges of valued products and services (RM'000)	7,497	26,874	26,255
Suppliers and Contractors	Exchanges of valued products and services (RM'000)	11,143	22,786	24,576
Employees	Remuneration to directors and employees (RM'000)	3,401	4,686	7,693
Government/ Authority	Net Income tax (refunded)/paid (RM'000)	254	195	(899)
Financiers	Interest paid (RM'000)	108	1,116	2,427
Local	Donation (cash and in-kind) and	281	13	10
Communities	spending on corporate social			
	responsibilities (RM'000)			
Business	Adjusted EBITDA (RM'000)			
Partners	Transportation Division	579	331	89
	Hydropower Division	(983)	(975)	(1,295)
	Solarpower Division	(441)	2,379	4,165
	4) Water Division	-	202	(3,010)
Shareholders	Basic EPS (Cent)	0.39	(5.82)	(3.03)
	Diluted EPS (Cent)	0.39	(5.82)	(3.03)
	Net asset per share (RM)	0.41	0.35	0.31
	4) Market capitalisation (RM'mil)	163.55	129.87	131.71

C) Moving Forward

Our focus remains on propelling sustainable growth, refining our products and services offerings to meet the evolving needs of the Malaysian market and society. We're achieving this through a relentless pursuit of innovation and leveraging technological advancements.



2. Our Approach for Material Matters (Cont'd)

2.5 Diversity, Equal Opportunity and Inclusion

A) Our Approach

We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. We promote a culture that respects and values differences, advocates for equality, and encourages growth and development to help individuals reach their full potential.

We are dedicated to maintaining fair employment practices, and consistently reviewing our recruitment process to ensure equality from the beginning. At GCAP, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

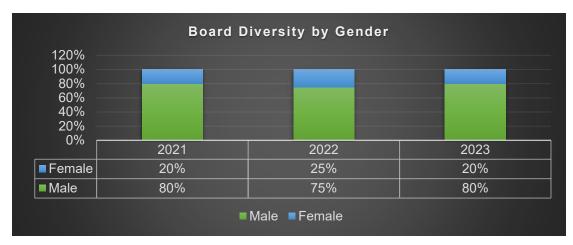
We strongly advocate for equitable gender representation on our Board. This is also cascaded to the management level, as GCAP strives to increase women participation in leadership roles to 30% by 2025, in comparison to 20% in 2023.

Several initiatives were undertaken in 2023 to continue fostering mutual respect among our employees which includes celebrating cultural holidays and religious events, commemorating International Women's Day 2023, organising panel discussions featuring female leaders and curating courses on unconscious bias and development of an inclusive mindset.

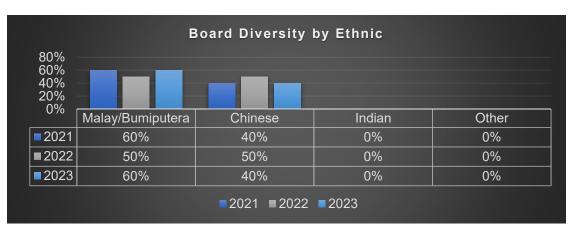
In addition to the initiatives and policies mentioned above, our commitment to providing a safe and inclusive work environment, free from discrimination based on backgrounds, beliefs, or abilities, is further reinforced through our employees' handbook, sexual harassment policy, Code of Conduct ("COC"), and robust grievance mechanisms. These measures reflect our dedication to ensuring that every individual feels respected and protected from any form of harassment.



- 2. Our Approach for Material Matters (Cont'd)
- 2.5 Diversity, Equal Opportunity and Inclusion (Cont'd)
 - B) Our Achievements in 2023

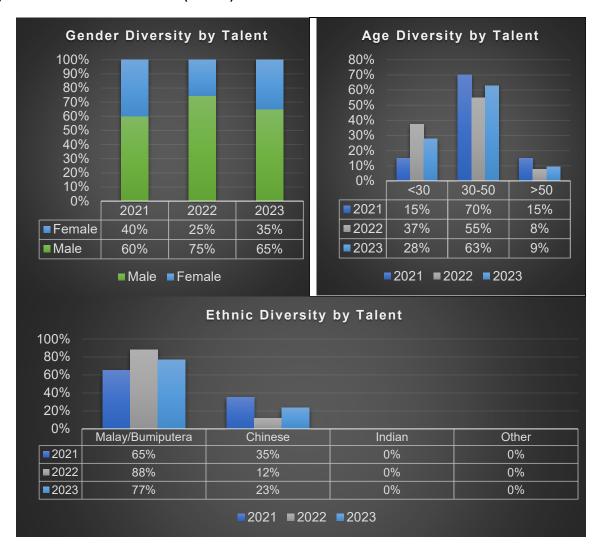






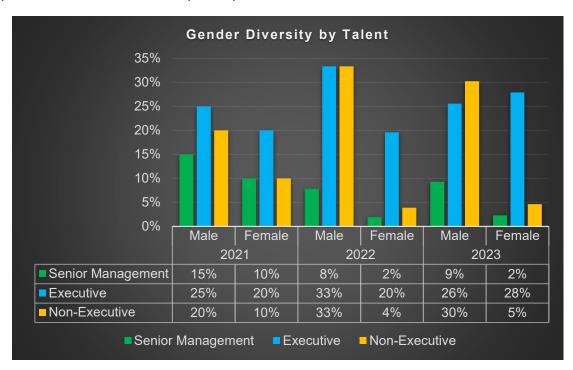


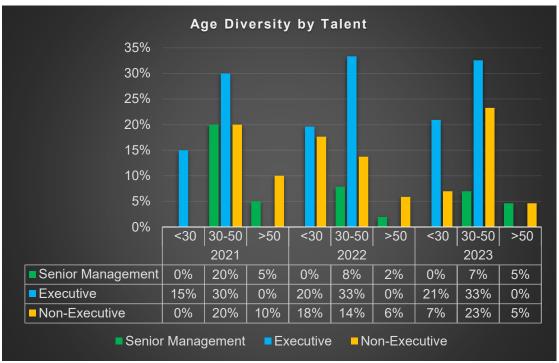
- 2. Our Approach for Material Matters (Cont'd)
- 2.5 Diversity, Equal Opportunity and Inclusion (Cont'd)
 - B) Our Achievements in 2023 (Cont'd)





- 2. Our Approach for Material Matters (Cont'd)
- 2.5 Diversity, Equal Opportunity and Inclusion (Cont'd)
 - B) Our Achievements in 2023 (Cont'd)





2. Our Approach for Material Matters (Cont'd)

2.6 Health, Safety and Environment ("HSE")

A) Our Approach

At GCAP, safety is our top priority. We extend this commitment not only to our employees but also to our contractors and service providers, especially when working in potentially hazardous off-site environments.

1) Safety Throughout the Project Lifecycle:

Our comprehensive safety program applies to various projects, including:

- Rooftop Solar Installations: We implement strict safety measures for working at heights, ensuring proper use of personal protective equipment like harnesses, safety lines, and helmets.
- ii) **Non-Revenue Water reduction works**: For drilling, digging, and submerged pipe replacements, we prioritize hazard identification and mitigation strategies. This may involve utilizing the data from geographic information system to locate existing pipes and using proper equipment for excavation.
- iii) **Small Hydropower Plants**: When building and operating small hydropower plants in deep forests and mountains, we take extra precautions. This might involve extensive risk assessments, specialised training for working in remote areas, and emergency response protocols tailored to the specific environment.

2) Proactive Protection for All:

We go beyond basic safety measures. GCAP offers medical care and insurance to employees, key personnel, and directors, covering hospitalisation & surgical insurance, term life insurance and personal accidents.

Regular review and update of HSE programme refresher, seminar and training are being done to allow they stay relevant and adhere to safety standards and industry best practices.

As such, GCAP fosters a work environment where everyone can focus on their tasks with confidence, knowing their well-being is paramount.

B) Our Achievements in 2023

As of 31 December 2023, we recorded zero incidents of work-related injuries, fatality and hazard. (2022: Nil).

C) Moving Forward

We will continue our approach to HSE matters and make necessary adjustments when the needs arises.



2. Our Approach for Material Matters (Cont'd)

2.7 **Human Rights**

A) Our Approach

We support the United Nations Global Compact ("UNGC") Ten Principles, and the Universal Declaration of Human Rights.

There is no need for separate collective bargaining agreements with our employees in Malaysia when the rights of our employees are protected by statue. We adhere to applicable laws and regulations in all our operating countries, which include but are not limited to Malaysia's Employment Act 1955 and subsequent amendments thereof.

We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. We guarantee the protection of the whistleblower's identity throughout investigation and all reports will be taken seriously.

B) Our Achievements in 2023

As of 31 December 2023, we recorded zero incidents of violation of human rights. (2022: Nil).

C) Moving Forward

We will soon issue our Human Rights Policy. This policy signifies our commitment to respecting and upholding human rights throughout our business operations and supply chains.

The policy goes beyond meeting regulatory requirements. It outlines our clear expectations for human rights matters for all our stakeholders, including employees, suppliers, and business partners.

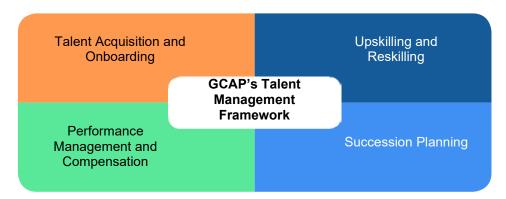


2. Our Approach for Material Matters (Cont'd)

2.8 Talent Management

A) Our Approach

We adheres to local labour and employment-related laws in all our human resources practices and management. Our Group Human Resources department is guided by our Talent Management Framework which focuses on the following areas:



This framework steers the organisation to nurture our talent, recognise their individual achievements, cultivate agile leadership, design training programmes that enhances their abilities to realise their true potential, and promote continuous performance improvement.

1) Talent Acquisition and Onboarding

Talent attraction and recruitment are vital to build a strong and sustainable talent pipeline for the future.

At GCAP, we adhere to our recruitment policy and procedures to ensure individuals are hired based on merits, i.e., skills, experience and credibility for the role while also sharing our values, culture, and vision.

Effective talent attraction and recruitment, without bias and prejudice can help build a strong employer brand to attract top talent. A positive reputation can in turn increase customer loyalty and improve organisational performance.



2. Our Approach for Material Matters (Cont'd)

2.8 Talent Management (Cont'd)

A) Our Approach (Cont'd)

2) Upskilling and reskilling

It is our objective to foster a skilled, resilient, and agile workforce that can thrive in an everchanging market landscape, amidst technological advances and emerging trends. We adopt the 70-20-10 learning model which sees 70% of talent development occur through the on-the-job training, 20% through developmental experiences such as coaching and mentoring, and the remainder 10% through formal development activities.

To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

In 2023, we remain committed to investing in training and development programmes, utilising both physical and online channels.

3) Performance Management and Compensation

At GCAP, we firmly hold onto our principles of being result-driven, accountable, collaborative, and shared success to drive individual and team performance. In promoting a high-performance culture, we have implemented a systematic performance review process and measurement system which includes employees' Key Performance Indicators ("KPIs"). At the beginning of each year, we ensure expectations setting ("Goal Setting") conversations are initiated. We conduct a year-end performance review for all employees, providing them with the opportunity to self-assess, provide feedback, engage in competency discussions, and receive necessary coaching and support.

We recognise and celebrate achievements when one has demonstrated exceptional performance within their peer group, deliver high quality results and display outstanding behaviour, through bonuses and promotions.

We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talents.

The following are amongst the benefits provided to our employees:

- Leaves: Annual leave, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, emergency leave, haji leave, examination leave, etc
- **Group Insurances**: hospital & surgical, term life, personal accident.
- iii) Flex-work arrangement: Staggered working hours, flexi-time, work from home
- iv) Others: Parking allowances, phone allowances

4) Succession planning

At GCAP, we recognize the importance of nurturing our talent pool to ensure a pipeline of qualified leaders for the future. Our proactive approach to succession planning goes beyond just identifying high-potential individuals.



2. Our Approach for Material Matters (Cont'd)

2.8 Talent Management (Cont'd)

B) Our Achievements in 2023

Learning and Development

In addition to on-the-job trainings, learning and development, we invested 376 hours in 2023 into external structured trainings, learning and development programmes.

	Total struc	Total structured training hours	
Talent Category	2021	2022	2023
Senior Management	40	-	152
Executive	8	8	208
Non-Executive	8	-	16
	56	8	376

	Average str	uctured traini	ng hours
Talent Category	2021	2022	2023
Senior Management	8	-	30.4
Executive	0.8	0.3	9.0
Non-Executive	1.3	-	1.0
Average structured training hours per talent	2.8	0.2	8.7

Talent retention and attrition

While we are doing the best we could, talent acquisition and attrition is inevitable. Some employees have left us voluntarily for different career path.

	Number of New Hires		es
Talent Category	2021	2022	2023
Senior Management	3	2	-
Executive	7	20	7
Non-Executive	3	10	3
	13	32	10

	Nu	Number of Turnovers	
Talent Category	2021	2022	2023
Senior Management	-	-	1
Executive	3	5	12
Non-Executive	1	-	5
	4	5	18

C) Moving Forward

We will continue to review our talent management to ensure it remained relevant and suitable for us to attract, maintain and motivate high quality talents.



2. Our Approach for Material Matters (Cont'd)

2.9 Affordable and Clean Energy

A) Our Approach

Our material matter is identical with the United Nations Sustainable Development Goals 7 affordable and clean energy.

We believe that clean energy solutions are not only good for the environment but also essential for businesses to thrive in the long run.

Making Reliable Clean Energy Accessible and Affordable

We understand that the initial cost of clean energy generation can be a barrier for some businesses. That's why we offer a variety of solutions to make clean energy accessible and affordable:

1) Flexible solar energy solutions

We provide customers with the choice to either outright purchase a complete solar photovoltaic ("PV") system or enter into a power purchase agreement ("PPA").

Our PPA model allows businesses to enjoy the cost savings and environmental benefits of solar energy without a significant upfront investment. We complement Tenaga Nasional Berhad ("TNB") by supplying clean solar power at a competitive rate, lower than the standard TNB tariff. This frees up the customers' cash flow to focus on their core business activities.

2) Small hydro energy solutions where we build, own and operate small hydropower plants which generate clean energy 24/7 and supply to TNB, which ultimately benefits the consumers.

2. Our Approach for Material Matters (Cont'd)

2.9 Affordable and Clean Energy (Cont'd)

B) Our Achievements in 2023

To-date, we hold interest in 29MWac small hydropower plants and 23.01MWdc of Solar PV system in Malaysia.

Key outcomes	2023	2023	2022	2022
Ownership	Controlling	Via JVC	Controlling	Via JVC
Plant and Machinery (RM'000)	64,903		54,323	
Capital work-in-progress (RM'000)	33,025		43,658	
Of which:-				
1) Solar PV Systems				
(PPA with corporate clients)				
- Installed and operational	9	-	8	-
- Installed capacity (MWdc)	23.01	-	18.51	-
- In progress	1	-	2	-
- Estimated Installed capacity	2.00	-	6.50	-
(MWdc)				
2) Small Hydropower plants (REPPA				
<u>with TNB)</u>				
- Installed and operational	-	3	-	3
- Installed capacity (MWac)	-	29.00	-	29.00
- In progress	8	6	8	6
- Estimated Installed capacity	48.00	60.75	48.00	60.75
(MWac)				

JVC: Joint Venture Companies

C) Moving Forward

We're committed to maximising our positive environmental impact. We recognise significant untapped potential within our existing water rights agreements in Perak state. These agreements hold the possibility of developing additional small hydropower projects with an estimated intrinsic value exceeding RM2 billion.

Building on the success of our current clean energy solutions, we plan to replicate the proven blueprint we've established.

We're excited about the potential of these new projects and will keep stakeholders informed as we move forward.



2. Our Approach for Material Matters (Cont'd)

2.10 **Climate Change**

A) Our Approach

We aim to reduce our environmental footprints and establish operational resilience to deliver long-term value to our business, stakeholders and communities.

As part of our efforts to mitigate climate change, we largely focused on the three (3) strategic pillars:

Managing our emissions

We're turning off unattended air-conditioning and lightings to reduce energy consumptions. We're assessing to improving energy efficiency in our premises with our electrical appliances, air cooling system and equipment.

ii) Investing in low emission, energy efficient and green technologies

We are currently promoting our solar options to the buildings we're residing to increase the deployment of renewable energy.

iii) Leveraging partnerships and collaborations

We aims to enhance our customer portfolio and expand our market presence in diverse geographic regions by forming strategic alliances with prominent international and local industry players in the development of efficient, zero-carbon buildings. This approach not only unlocks new business opportunities but also ensures that we remain at the forefront of sustainable building practices. Through close collaboration with industry experts, we can foster the creation of pioneering and innovative solutions that cater to the evolving needs of our customers while aligning to our environmental objectives.

B) Our Achievements in 2023

We begin developing our internal capabilities address the Recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") in order to manage critical climate-related risks and opportunities within our organisation in a more comprehensive and strategic manner lease refer to our TCFD-aligned Disclosures section of Sustainability Report.

3. Performance Data Table from ESG Reporting Platform

GCAP as a Listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table downloaded from the ESG Reporting Platform and provides a snapshot of some indicators.

For a more comprehensive view of our sustainability efforts, please explore our Sustainability Report 2023, which delves deeper into our ESG performance data.

While we strive for continuous improvement in our reporting practices, we have not engaged independent verifier to carry out a limited assurance exercise on the Performance Data Table.



3. Performance Data Table from ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit	2023
Business Model Sustainability		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Corporate Governance and Risk Management		
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Ethical Business Conduct		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Economic Performance		
Value of products and services delivered	Number	26,087
Value of products and services received	Number	24,576
Remuneration to directors and employees	Number	7,693
Market Capitalisation	Number	131,710,000
Diversity, Equal Opportunity and Inclusion		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	100
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management < 30	Percentage	0.00
Senior Management 30-50	Percentage	60.00
Senior Management > 50	Percentage	40.00
Executive < 30	Percentage	0.00
Executive 30-50	Percentage	39.00
Executive > 50	Percentage	61.00
Non-executive < 30	Percentage	20.00
Non-executive 30-50	Percentage	67.00
Non-executive > 50	Percentage	13.00
Gender Group by Employee Category		
Senior Management Male	Percentage	80.00
Senior Management Female	Percentage	20.00
Executive Male	Percentage	48.00
Executive Female	Percentage	52.00
Non-executive Male	Percentage	87.00
Non-executive Female	Percentage	13.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
<=35	Percentage	20.00
36-40	Percentage	0.00
41-45	Percentage	0.00
46-50	Percentage	20.00
51-55	Percentage	0.00
56-60	Percentage	0.00
61-65	0	20.00
66-70	Percentage	
	Percentage	40.00
71 and Above	Percentage	0.00

Internal assurance External assurance No assurance (*)Restated



3. Performance Data Table from ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit		2023
Executive	Number		12
Non-executive	Number		5
Health, Safety and Environment			
Bursa C5(a) Number of work-related fatalities		Number	0
Bursa C5(b) Lost time incident rate ("LTIR")		Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards		Number	4
Human Rights			
Bursa C6(d) Number of substantiated complaints concerning human rights violations		Number	0
Talent Management			
Bursa C6(a) Total hours of training by employee category			
Senior Management		Hours	120
Executive		Hours	208
Non-executive		Hours	16
Bursa C6(b) Percentage of employees that are contractors or temporary staff		Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management		Number	1
Affordable and Clean Energy			
Clean Energy Generated: Solar PV Modules	Mega Watt-hours		20,609.00
Clean Energy Generated: Small Hydropower Plants	Mega Watt-hours		141,180.00
Climate Change			
Bursa C4(a) Total energy consumption	Megawatt		53.00
Bursa C9(a) Total volume of water used	Megalitres		0.289000

(*)Restated



BOARD OF DIRECTORS' PROFILE

	GENERAL (RETIRED) TAN SRI DATO' SRI HAJI AFFENDI BIN BUANG 62, Malaysian Executive Chairman
DATE APPOINTED TO THE BOARD:	• 21 November 2023
MEMBERSHIP OF BOARD COMMITTEES:	• None
QUALIFICATIONS:	Master of Arts (Strategic Studies) Center for Defence and Strategic Studies Deakin University, Australia
MEMBERSHIP OF ASSOCIATIONS:	• None
	Chief of Defence Force, Malaysian Armed Forces (3 Jan 2020 – 6 Sep 2023)
WORK EXPERIENCE AND OCCUPATION:	 Professional leadership of the Malaysian Armed Forces and the most senior uniformed military adviser to the Paramount Ruler (Yang DiPertuan Agong) and government of Malaysia.
	 Responsible for the organization policy, doctrinal guidance, strategic oversight and welfare of approximately 150000 service personnel of the Army, Navy and Air Force.
	 Directly accountable for all military course of actions during the COVID-19 pandemic (Mar 2020 – May 2022) in Malaysia including promulgation of National Task Force and Military Aid to Civil Authority.
	 Directly supervised the establishment of the Malaysian Armed Forces Defence Cyber and Electromagnetic Division.
	 Personal oversight on the formulation of National Military Strategy 2.0 and formation of the Malaysian Armed Forces Future Force.
	 Responsible for the implementation and management of programs involved in the formulation of Malaysian Armed Forces current plans and development.
	 Co-Chair of various defence and security related committees at national and regional levels.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY):	• None
FAMILY RELATIONSHIPS (IF ANY):	No family relationship with any director and/or substantial shareholder of the Company
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023:	• 1/1



BOARD OF DIRECTORS' PROFILE

	DATUK YAP YEE PING 49, Malaysian Executive Director
DATE APPOINTED TO THE BOARD :	• 9 January 2020
MEMBERSHIP OF BOARD COMMITTEES:	Member of the Remuneration Committee
QUALIFICATIONS:	Bsc (Hons) in Accounting Queen's University of Belfast, Northern Ireland
MEMBERSHIP OF ASSOCIATIONS:	Member of Institute of Chartered Accountants in England and Wales (ICAEW)
WORK EXPERIENCE AND OCCUPATION:	 She started her career in auditing and has more than 20 years of finance and accounting exposures with local and multi-national corporations. She was appointed as Non-Independent and Non-Executive Director of the Company on 9 January 2020 but re-designated as an Executive Director on 27 February 2020 and sits on the Board of several subsidiaries of the Company.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY):	• None
FAMILY RELATIONSHIPS (IF ANY):	No family relationship with any director and/or substantial shareholder of the Company
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023:	• 4/4



BOARD OF DIRECTORS' PROFILE (CONT'D)

	DATO' ROSLI BIN SHARIF 70, Malaysian Independent Non-Executive Director
DATE APPOINTED TO THE BOARD :	• 21 February 2017
MEMBERSHIP OF BOARD COMMITTEES :	 Chairman of the Audit & Risk Committee Member of the Nomination Committee
QUALIFICATIONS:	Fellowship of Certified Accountants
MEMBERSHIP OF ASSOCIATIONS:	Member of Malaysian Institute of Accountants (MIA)
WORK EXPERIENCE AND OCCUPATION:	Dato' Rosli bin Sharif had served with the Government of Malaysia in various capacities at the Treasury Department of the Accountant General's Office, Accountant at the Department of Civil Aviation and as the State Treasurer of Negeri Sembilan from 1980 to 1982. Since 1982, he had served as a Director in private limited companies involving in construction and property development. He joined Cement Industries of Malaysia Berhad (CIMA) in 1988 as the Group Finance Manager and was subsequently promoted to General Manager, then Chief Operating Officer and Managing Director in 2002. Between 1998 to 2005, he led CIMA to grow its business and in particular involved to acquire and restructure Negeri Sembilan Cement Industries Sdn Bhd, which resulted in CIMA expanding its production capacity and market share especially in Singapore. He was the Chairman of the Cement and Concrete Association of Malaysia from 1998 to 2000. In 2006, he was appointed as the Senior Director of International Business West Asia at UEM Group Berhad and from 2009 to 2011, he was the Senior Director, Corporate Services of UEM Group Berhad. He was the Independent Non-Executive Director of Konsortium Logistik Berhad, a public listed company from 2011 to 2013. He was also the Managing Director of another public company from 2012 to 1 February 2017.
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY):	None
FAMILY RELATIONSHIPS (IF ANY):	No family relationship with any director and/or substantial shareholder of the Company
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023:	• 3/4



BOARD OF DIRECTORS' PROFILE

	DATO' HAJI ROSHIDI BIN HAJI HASHIM 69, Malaysian Independent Non-Executive Director
DATE APPOINTED TO THE BOARD :	• 21 May 2020
MEMBERSHIP OF BOARD COMMITTEES :	 Chairman of the Remuneration Committee & Nomination Committee Member of the Audit & Risk Committee
QUALIFICATIONS:	 Degree- Social Sciences, (Political Sciences) University Sciences Malaysia Diploma- Pentadbiran Awam (Diploma in Public Administration) INTAN Malaysia
MEMBERSHIP OF ASSOCIATIONS:	• None
WORK EXPERIENCE AND OCCUPATION:	 1975-1979- Clerical Staff Hospital Daerah Butterwoth 1979-1995- Investigation Officer Anti-Corruption Agency Malaysia 1995-1996-Assistant Director Procurement division, Ministry of Finance 1996-2000- Assistant Director to State Economic Planning Unit (UPEN) State of Perak 2000-2007-Special Officer and Private Secretary to Menteri Besar of Perak 2007-2008- Secretary of Majlis Bandaraya Ipoh 2008-2014-Mayor of Ipoh City, Malaysia 2015-2019-Independent Non-Executive Chairman of Leweko Resources Berhad March 2019 – November 2019 – Independent Non-Executive Chairman of Kumpulan Powernet Berhad
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY):	• None
FAMILY RELATIONSHIPS (IF ANY):	No family relationship with any director and/or substantial shareholder of the Company
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023:	• 3/4



BOARD OF DIRECTORS' PROFILE (CONT'D)

	JASON FONG JIAN SHENG 36, Malaysian Independent Non-Executive Director	
DATE APPOINTED TO THE BOARD:	• 7 October 2021	
MEMBERSHIP OF BOARD COMMITTEES :	Member of the Audit & Risk Committee, Remuneration Committee & Nomination Committee	
QUALIFICATIONS:	Bachelor of Marketing HELP University College	
MEMBERSHIP OF ASSOCIATIONS:	• None	
WORK EXPERIENCE AND OCCUPATION:	 As the founding director of a well-known business consultancy firm in town, he has been influential in defining business landscape of the future for many public-listed companies on Bursa Malaysia, as well as helping them to reach their goals in more efficient ways. 	
	 He has handled many prominent clients from various sectors, ranging from information technology, property and construction, healthcare, consumer, transportation, oil & gas, trading and retail industry. 	
	 Being well-acquainted with the corporate affairs in Malaysia, he could develop and strengthen management team in order to maximise company's profitability and efficiency. 	
	 He is actively involved in many major corporate exercises, including initial public offering (IPO) and merger & acquisition (M&A) activities, as well as fund raising activities, such as private placement and rights issue exercises. 	
DIRECTORSHIP OF PUBLIC COMPANIES (IF ANY):	 Eduspec Holdings Berhad XL Holdings Berhad USP Group Limited (Listed on Singapore Stock Exchange) 	
FAMILY RELATIONSHIPS (IF ANY):	No family relationship with any director and/or substantial shareholder of the Company	
NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023:	• 4/4	



KEY MANAGEMENT PROFILE

Dzulkifly bin Abdul Khalid ("Dzul")

Director of subsidiary companies cum General Manager of PHREC Head of Mini-Hydropower Division

Dzul obtained a Certificate in Mechanical Engineering from Politeknik Ungku Omar, Ipoh in 1995. He then served for 15 years from 1995 to 2010 in Minolta Malaysia Sdn Bhd, Konica Minolta Precision Engineering Sdn Bhd and Sony Precision Engineering Sdn Bhd. His last position was the Head of Section in the Production Division where he was in charge of the production line planning which includes the management of manpower and materials. Between 2010 to 2013, he joined Sanwa Printing Sdn Bhd as the Quality Assurance (QA) Executive. He was tasked to supervise the QA department, ensuring the compliance with high standard of quality control in the printing industry.

In 2013, Dzul joined PHREC as a Corporate Affairs Executive. His job scope was to handle the project co-ordination with various State Government Agencies as well as to engage with the public in the specific project area for the development of the small hydro projects. In 2015, he was promoted to the position of Assistant Operations Manager where he was responsible for the overall company operations which includes project progress updates, managing relationships and interactions with State Government Agencies as well as public relations. Dzul is then promoted into his current position in early 2018. He is now responsible for the day-to-day operations of the Group's small hydropower division.

Heng Boon Liang ("Boon Liang")

Director of Solarcity Malaysia Sdn. Bhd. ("Solarcity") Head of Solar Division

Boon Liang has a Master of Science and Bachelor of Science degree with a major in mechanical engineering from the Mississippi State University of United States of America ("U.S.A."). In his early career, he was actively involved in research and development work in the U.S.A., including conducting key research and development of Reusable Launch Vehicle for National Aeronautics and Space Administration ("NASA").

Boon Liang has a vast experience in green technology, in particular, the Solar Photovoltaic ("PV") and Hydro Turbine segment. He is currently the director of Solarcity and has been tasked to expand the renewable energy - Solar segment of the Group.

Zulkepli Bin Mishat ("Zul")

Director of subsidiary companies Head of Water and Waste Water Division

Zul is an engineer graduated from University of Wollongong, NSW, Australia (B E Civil, 1989). He brings with him more than 30 years in water and wastewater experience in multinational companies inclusive of 2 years managerial experience with Northumbrian Water Ltd, United Kingdom.

Zul possessed hands on experience in project due diligence, business proposal and project planning and implementation.

In his earlier days, he was one of the key persons leading to successful implementation of Johor Baru Water Supply Privatisation Project for the take over and upgrading of Sg Layang water treatment plant from 180 Million Litres per Day ("MLD") to 635 MLD in 1992 under Build-Operate-Transfer contract of 20 years.

Zul is one of key management with his vast experience in operations and maintenance of large water, wastewater and reclaim water infrastructures including plants, pumping stations, substations, transmission mains and reservoirs.



KEY MANAGEMENT PROFILE (CONT'D)

Anizarni Binti Adri ("Anizarni")

Operations Manager, GPB Corporation Sdn. Bhd. ("GPB")

Anizarni is a holder of Diploma in Mechatronic Engineering from Politeknik Sultan Azlan Shah, Tanjung Malim and Executive Diploma in Industrial Training from Universiti Tun Hussein Onn. She joined GPB in August 2011 as a Technical Executive where she is responsible to supervise the technicians and mechanics under GPB. She is also entrusted to maintain and update the technical and process documentations of GPB's huge fleet of vehicles. In 2014, Anizarni was promoted to Operations Executive where her job scope has been expanded to include the management and supervision of the Operations Department and the Marketing Department, in addition to the Technical Department. In 2017, she was promoted to her current position where she leads the operational aspects of GPB under the direction of the Executive Director, and she is also the liaison of GPB in dealing with customers and vendors.

Tan Yu Chai ("Yu Chai")

Senior Finance Manager, G Capital Berhad

Yu Chai holds Bachelor's Degree (Honours) in Applied Accounting from Oxford Brookes University, is a qualified accountant registered with Malaysian Institute of Accountant ("MIA"). He is a Fellow Member of Association of Chartered Certified Accountant ("ACCA") as well as an Associate Member to the Institute of Internal Auditors Malaysia ("IIA Malaysia")

Yu Chai started his career in December 2008 as an audit associate in KPMG Malaysia, one of the toptier international accounting firm. Yu Chai left KPMG Malaysia in December 2013 as an Assistant Audit Manager after spanning 5-years in external audit, where he led audit assignments to various clientele, including, trading, manufacturing, construction, property development, publication and energy.

Subsequent to KPMG Malaysia, Yu Chai joined Baker Tilly Malaysia from December 2013 to August 2016 as Transaction Reporting Manager, where he led various corporate fund-raising exercises as an Independent Reporting Accountant.

Yu Chai then assumed the role of Group Financial Controller of Frontier Digital Venture Limited, an Australian listed company where he co-authored with the chief financial officer on various financial and corporate reporting, management discussions and analyses, special projects and Merger and Acquisitions deals.

Yu Chai assumed the role as Senior Finance Manager starting February 2021 to helm the Group's finance function.

Norjannah Binti Ratman ("Jannah")

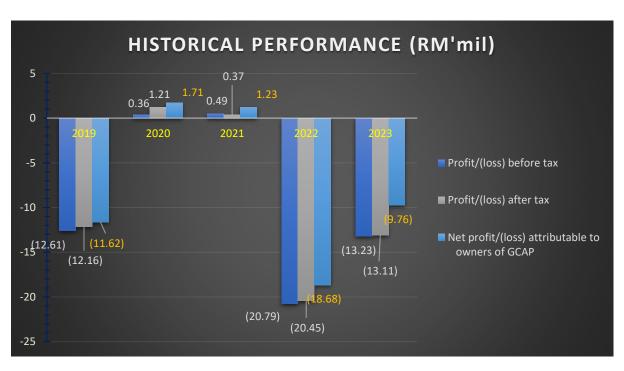
Human Resources & Administration Executive, G Capital Berhad

Jannah holds a Diploma in Human Resources from Kolej Universiti Poly-Tech MARA Kuala Lumpur. She has accumulated experiences in the Human Resources role since the start of career which includes managing the full spectrum of human resources and administration works. Jannah joined G Capital Berhad in September 2022 as the Human Resources & Administration Executive of the Group.



KEY FINANCIAL SUMMARY

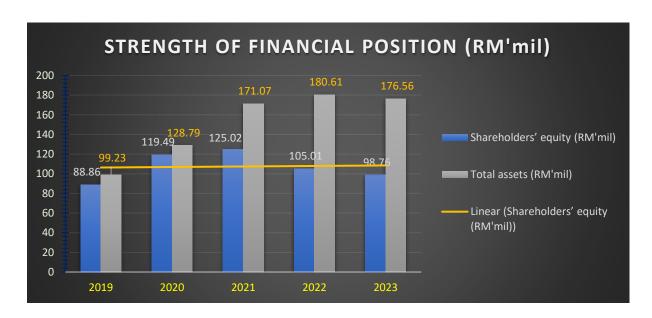






KEY FINANCIAL SUMMARY (CONT'D)







The Board of Directors ("Board") of G Capital Berhad ("the Company") recognises the importance of practicing and maintaining good corporate governance towards the success of the Company and its subsidiaries ("Group") whilst pursuing its corporate objectives.

The Board remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Group and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Group.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance ("MCCG 2021") known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) throughout the financial year ended 31 December 2023.

PRINCIPLE A - BOARD LEARDERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, managing the business and affairs of the Group including ensuring achieving its strategic goals and realising long-term shareholders' values.

The Group is led and controlled by an effective and experienced Board with the right mix of skills and balance to contribute to the achievement of the Group's objectives. The directors collectively, with their different background and specialisation, bring with them a diverse wealth of experience and expertise in areas such as business, finance, property development and construction, regulatory and operations which are relevant to the Group.

The overall principal roles and responsibilities of the Board are as follows:

- Determine and develop the Group's strategic direction and business plans; 1)
- 2) Oversee the conduct and proper management of the Group's businesses;
- 3) Provide clear objectives and policies to management for operations;
- 4) Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- 5) Ensure establishment of appropriate risk management and internal control framework and risk strategy as well as adequate management information and internal control system of the Company:
- 6) Ensure the Group's strategies promote sustainability, with attention given to environmental, social and governance aspects of business;
- 7) Carrying out periodic review of the Group's financial performance and operating results and major capital commitments;
- 8) Review the adequacy and soundness of the Group's financial system, internal control systems and management information system and ensure that they are in compliance with the applicable standards, laws and regulations; and
- 9) Oversee the development and implementation of a shareholder communications policy, including an investor relations programme for the Company.

The Board reviews the performance and results of the business divisions on a regular basis at its quarterly meetings by monitoring the Group's financial results against the budget and the preceding quarter's result. The Board members are updated on a regular basis on financial, operational, corporate, regulatory, business development and audit matters for the decisions to be made to effectively discharge the Board's responsibilities.

The Board also deliberates and evaluates the feasibility of business propositions and corporate proposals as well as the principal risks that may have a significant impact on the Group's business.



Key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, appointment of Directors are discussed and decided by the Board.

External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required.

The Board sets the risk tolerance levels, objectives, performance targets and policies to manage the key risks faced by the Group. The details of the risk management framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report.

The Management and the Board also discuss and resolve risk management and sustainability-related issues, in particular, on business development, costing, environment and social aspects.

The Board has delegated certain functions to the Audit and Risk Committee, Remuneration Committee and Nomination Committee ("Committees" or "Board Committees") with each operating within its clearly defined Terms of Reference ("TOR"). Deliberation and decisions at the Committee level are recorded. The Committee Chairman will report to the Board on the outcome of the Committees' meetings and the minutes of meetings are circulated to the Board. The Board reviews the Committees' authority and TOR from time to time to ensure its relevance and efficacy. The Board retains full responsibility for the direction and control of the Company and the Group. The ultimate decision on all matters lies with the Board.

For the day-to-day operations, the Board has delegated its authorities and responsibilities to the Management team led by the Executive Director, representing the Management from transportation division, small hydropower division, solarpower division along with investment and other division respectively. The functions delegated to the Management team by the Board are, inter alia, as follows:

- 1) implementation of strategies and business, policies and procedures approved by the Board;
- 2) managing the daily conduct of the business and affairs of the Group;
- 3) communicating matters of concern to the Board for information and/or decision; and
- 4) representing the Group in its dealing with the government authorities and other external parties.

Directors' Responsibilities on Sustainability of the Group

In line with the new practice of MCCG 2021 on sustainability, the Board leads the sustainability governance of the Group, overseeing the Economic, Environmental, Social and Governance ("EESG") strategies, initiatives, practices, targets and performance and emphasizing the importance of sustainability in creating values to stakeholders.

The Board will review the process of including material sustainability and climate-related risks and opportunities in the performance evaluation of the Board and Senior Management as stipulated in the latest MCCG 2021.

The Group has always prioritized environmental issues and complied with applicable laws and regulations in order to reduce negative environmental effect. We formulate our strategy and align our policies to promote green technology for greener economy and environment. Recognizing the importance, we periodically review and update our sustainability material matters we face and engage with our stakeholders to assess the magnitude of risks and opportunities in relation to the EESG topics. The discussion is also facilitated by the Heads of Department and key management staff. Following that, the sustainability matters were assessed based on their relevance to the stakeholders and the Group's business.



Directors' Responsibilities in relation to the Financial Statements

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects, primarily through the annual and guarterly financial statements to Shareholders as well as the Management Discussion and Analysis in this Annual Report. The Board is assisted by the Audit and Risk Committee to oversee the Group's financial reporting processes, ensures its compliance with applicable financial reporting standards and regulatory requirements as well as the quality of its financial reporting. The financial statements are reviewed by the Audit and Risk Committee prior to recommending them to the Board for relevant announcement and issuance to shareholders. The Board ensures the integrity of the Group's financial reporting and fully recognises that accountability in financial disclosure forms an integral part of good corporate governance practices.

The Directors have ensured that the financial statements of the Group and of the Company are drawn up in accordance with the requirements of the Malaysian Financial Reporting Standards and International Financial Reporting Standards and the provisions of the Companies Act, 2016. In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates.

Roles and Responsibilities between the Executive Chairman and Executive Director

The Executive Chairman is managing the Board's effectiveness by leading the board in corporate direction, governance and decision making. The positions of Executive Chairman, Executive Director and/or senior management are held by different individuals. The Executive Chairman is not a member of the Board Committees to ensure there is check and balance as well as objective review by the Board.

In addition, the Independent Directors who constitute a majority of the Board, provides for effective oversight over management and ensures that there is independence of judgement.

Key responsibilities of the Executive Chairman include:-

- providing leadership for the board so that the board can perform its responsibilities effectively; 1)
- 2) leading the board in the adoption and implementation of good corporate governance practices in the company.
- 3) setting the board agenda and ensuring that directors receive complete and accurate information in a timely manner;
- 4) leading board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed; 5)
- 6) managing the interface between board and management; and
- 7) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole.

During the financial year under review, The Executive Director has the general responsibility for day-today running of the Group's business, implementation of Board policies and making of operational decisions duly assisted by the Management team. The Executive Director is also responsible for the development of corporate goals and objectives and the setting of strategies to achieve them.

The Executive Director focuses on implementing the plans chartered out and the day-to-day operations and management of the Group with clear authority delegated by the Board.



Company Secretaries

The Company is supported by two (2) qualified named Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under section 235(2) of the Companies Act 2016. They play a supportive role by ensuring adherence to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

The Company Secretary is present at meetings to record deliberations, issues discussed and conclusions in discharging his duties and responsibilities and also provide a central source of guidance and advice to the Board, on matters of ethics and good corporate governance and assist in determining board agenda, formulating governance, coordinates board assessment process and other board-related matters.

The Company Secretaries ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company.

Access to Information and Advice

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The notices of Board and Board Committee meetings are sent out to the Directors via email at least seven (7) days prior to the meetings. The Board papers are circulated on a timely basis in advance of the meeting to enable the members to have sufficient time to review the papers prepared. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at the Board and Board Committee meetings. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made.

All proceedings from the Board and Board Committee meetings are recorded and confirmed by the Chairman of the meetings. The minutes of Board and Board Committee meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board and Board Committee meetings.

Meeting papers on issues or corporate proposals which are deemed confidential and sensitive would only be presented to the Directors during the meeting itself. Verbal explanations and briefings are also provided by Executive Director and Management to enhance understanding of matters in relation to the Group's business and operations.

All Directors have access to the advice and service of the Company Secretaries. The Board of Directors, whether as a full board or in their individual capacity, may upon approval of the Board of Directors, seek independent professional advice if required, in furtherance of their duties, at the Group's expense.



Board Charter

The Company has adopted a Board Charter ("Charter") which sets out the role, duties, functions and responsibilities of the Board, Board Committees and Management so that there is a structured guide with regards to the various responsibilities including the need for Directors to carry out their leadership and supervisory role and in discharging their duties towards the Group and the Board. The demarcation of roles established in the Charter is the reference point (in relation to the Directors and Board's roles, powers, duties and functions) to guide Board activities and help to reinforce the supervisory role of the Board.

The Board will review the Charter from time to time to ensure its compliance with relevant rules and regulations and remains relevant and effective. The Charter is made available on the Company's website at https://gcapital.com.my/corporate-governance/.

Code of Conduct and Ethics and Whistle Blowing Policy

The Group's Handbook for Employees ("Handbook") continues to govern the standard of ethics and good conduct expected of Directors and employees. In addition, the Company has also formalized a Code of Conduct and Ethics for the Group. The objective of the Code of Conduct and Ethics is to set out the ethical standards to all Directors and employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment. Every employee must display and behave in a manner which is consistent with the Group's philosophy and core values.

Through the Code of Conduct and Ethics and also the Handbook, the Board sets the tone for proper ethical behavior expected of the Board members and the employees. The Board will periodically review the Code of Conduct and Ethics to ensure it remains relevant and appropriate. Details of the Code of Ethics are available for reference at the Company's https://gcapital.com.my/corporate-governance/.

The Board has put in place a Whistle-Blowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behavior, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions taken where required.

Included in the policy are the procedures and the independent person to which report on any suspected wrongdoing maybe reported for further investigation. The whistle-blower can address his/her complaints to the Chairman of the Audit and Risk Committee.

The Board will periodically review the Whistle-Blowing Policy to ensure it remains relevant and appropriate. The details of the Whistle-Blowing Policy are available for reference at the Company's website at https://gcapital.com.my/corporate-governance/.



Time Commitment, Board Meetings and Directors' Training

A full year meeting schedule which sets out the dates for Board meetings, Board Committee meetings and Annual General Meeting is prepared and circulated to the Directors before the start of each calendar year to allow the Directors to plan ahead in attending such meetings.

Board Meetings are scheduled every quarter with additional meetings to be convened as and when required. Urgent and important matters are resolved by way of written resolutions and clarifications are provided to the Directors where necessary. During the financial year under review, the Board met a total of four (4) times. The attendance of the Directors who held office at the end of financial year is set out below:

Directors	ttendance
General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang (Appointed on 21 November 2023)	1/1
Datuk Yap Yee Ping	4/4
Dato' Haji Roshidi bin Haji Hashim	3/4
Dato' Rosli bin Sharif	3/4
Jason Fong Jian Sheng	4/4

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All the Directors have complied with the minimum 50% attendance requirement in respect of Board meeting as stipulated in the Main Market Listing Requirements (MMLR).

All Directors of the Company do not hold more than 5 directorships in listed companies pursuant to Paragraph 15.06 of the MMLR.

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast with industry developments and trends and also on various issues facing the changing business environment within which the Group operates, in order to fulfil their duties as Directors. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required under MMLR, including new executive chairman, a first-time director of a listed company who attended the MAP on 30 – 31 January 2024.

During the financial year under review, the following Directors had participated in the following training programmes:-

Directors	Seminars / Workshops / Courses	Date
Datuk Yap Yee Ping	Asean Finance Innovation Summit	8-9 February 2023
<u> </u>	World Power Plant Innovation Conference	30-31 May 2023
Dato' Haji Roshidi bin Haji Hashim	Pre & Post IPO Rules	6 June 2023
Dato' Rosli bin Sharif	Pre & Post IPO Rules	6 June 2023
	Fraud Risk Management: Tools & Techniques	16 August 2023
Jason Fong Jian Sheng	Risk Appetite Framework for Board of Directors	9 June 2023



II. **Board Composition**

The Board has a balanced composition of Executive and Non-Executive Directors (including Independent Directors) such that no individual or group of individuals can dominate the Board's decision-making powers and processes. The presence of Independent Non-Executive Directors also safeguards the interest of the stakeholders in ensuring that the highest standard of conduct and integrity are maintained.

The Board currently consists of five (5) members, comprising one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors, in compliance with the MCCG 2021 that at least half of the Board members comprise of independent directors. Brief profile of each Board member is presented in this Annual Report under Profile of Directors.

The Board is of the view that its composition and size is adequate for the effective discharge of its functions and responsibilities. With its diversity of qualifications and skills, and the governance structure of the Board and its Committees, the Board has been able to provide clear and effective collective leadership to the Group and has delivered informed and independent judgment to the Group's strategy and performance to ensure that the highest standards of conduct and integrity are always at the core of the Group's undertakings. None of the Independent Non-Executive Directors ("INED") participate in the day-to-day management of the Group.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the respective Board Committees such as the Audit and Risk Committee, Nomination Committee and Remuneration Committee. The presence of the Independent Non-Executive Directors both in the Board and Board Committees is essential in providing unbiased and impartial opinion, advice and judgment to Board deliberations to ensure that the interests, not only of the Group, but also of its shareholders, employees, customers, suppliers and other communities with which the Group conducts its business are well-represented and taken into account.

Board Committees

The Board is supported by relevant Board Committees, i.e., Audit and Risk Committee (ARC), Nomination Committee (NC) and Remuneration Committee (RC). These Committees play a significant part in reviewing matters within each Committee's TOR, and facilitating the Board's discharge of its duties and responsibilities. Each of these Committees have specific TOR, scope and specific authorities to review matters tabled before the Committees prior to decisions by the Board as a whole. The ARC comprises of wholly INEDs whereas the NC and RC comprise a majority of INEDs.



Nomination Committee

The Nomination Committee which currently comprises three (3) Directors, are exclusively made up of Independent Non-Executive Directors and is chaired by Dato' Haji Roshidi bin Haji Hashim. The NC is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

The NC operates within defined TOR which is available for reference at the Company's website at https://gcapital.com.my/corporate-governance/. The TOR discloses the following in compliance with the MMLR of Bursa Securities:

- 1) Board composition
- 2) Objectives of the committee
- 3) Meetings and access to information
- 4) Authorities, duties and responsibilities

In the process of selecting and evaluating candidates, the NC takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age and ethnicity background. An assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members including the Managing Director has the character, experience, integrity, competence and time to effectively discharge their respective roles.

During the financial year under review, the NC met once a year. The NC chose to meet post financial year to evaluate the performance of Directors for the immediate past financial year.

Having regard to the operations of the Group and composition of the Board, the Board has dispensed with the formality of appointing a senior INED from amongst the Board members. Any concerns from the shareholders can be conveyed to any of the INED of the Board.

The key activities undertaken by the NC during the financial year are as follows:

- assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- 2) reviewed the mix of skills, experience, boardroom diversity and other qualities, including core competence of the members of the Board;
- 3) assessed and reviewed the independence of Independent Directors;
- 4) assessed the training needs of the Directors and collated training information from all Directors;
- 5) reviewed the size and composition of the Board and Board Committees;
- 6) considered the nomination of new membership of the Board; discussed the character, experience, integrity and competence of the Directors, chief executive or chief financial officer and to ensure they have the time to discharge their respective roles; and
- 7) nominating the Directors who are due for retirement and are eligible to stand for re-election or reappointment at AGM.



Board Appointment

The Board appoints its members through a formal and transparent selection process, which is consistent with the Company's Constitution. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that legal and regulatory requirements are met.

The appointment process of a new Director is summarised as follows:

- The candidate identified upon the recommendations from the Directors and Management or their 1) contacts in the related industries, finance accounting, legal professions and/or major shareholders;
- In evaluating the suitability of candidates to the Board, the NC considers, inter-alia, the required 2) mix of skills, expertise, experience, time commitment and contribution of the candidates can bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independency will be considered;
- 3) Recommendation to be made by NC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- Decision to be made by the Board on the proposed new appointment including appointment to 4) the various Board committees.

The Company's Constitution provides that all Directors of the Company are subject to retirement. At least one third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office at the Annual General Meeting ("AGM"), provided always that all Directors shall retire from office at least once in every three (3) years.

Clause 95 of the Company's Constitution provides that 1/3 of the directors for the time being shall retire from office by rotation every year. Clause 102 of the Company's Constitution further provides that any newly appointed director shall hold office only until the next following AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the retirement of directors by rotation at such meeting.

The following Directors are up for retirement at the forthcoming AGM of the Company and have offered themselves for re-election at the said AGM:

1	Dato' Haji Roshidi bin bin Haji Hashim	Retiring pursuant to Clause 95
2	General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang	· · · · · · · · · · · · · · · · · ·
		Clause 102

Gender Diversity Policy

The Board acknowledges the recommendations of the MCCG 2021 on the establishment of a gender diversity policy. The Board does not plan to implement a gender diversity policy or target, as the Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. This includes the selection of Board members. The Company believes in, and provides equal opportunity to candidates with merit.

The Company has currently one (1) female director and four (4) male directors on the Board, i.e. the Board comprises 20% women directors, which is below 30% women directors recommendations of the MCCG 2021. The Board is at its best endeavour to get at least 30% women directors within three (3) years.

The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate's qualifications, competencies, professionalism, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender, ethnicity and age.



Board Evaluation and Assessment

The Board, through the NC conducted the annual assessment on the effectiveness of the Board, Board Committees and individual Directors of the Company internally by way of a set of self-assessment questionnaires.

The evaluation process is carried out by the NC and guided by the Corporate Governance Guide - Towards Boardroom Excellence. The individual Directors and Committee members are required to complete the separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The Board Committees carried out their evaluation with the view to maximize the performance of the individual committees in the interest of the Company. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. All assessments and evaluations carried out by the NC in the discharge of all its functions are documented. The assessment and comments are summarised and discussed at Nomination Committee meeting before it is presented to the Board.

Tenure of Independent Directors

The Board, via NC, has developed the criteria to assess independence and formalised the current independence assessment practice. The assessment of the independence of each of its INED is undertaken annually according to set criteria as prescribed by the MMLR. As recommended by the MCCG 2021, the tenure of directorship of not more than 9 years form part of the assessment criteria for independence of a director, where specific tenures of the Directors were duly reviewed and confirmed for suitability by the NC and the Board.

As for the term limit for INED, the Board has adopted Practice 5.3 of the MCCG 2021 to seek shareholders' approval in the event the Board desires to retain as an INED, a person who has served in that capacity for more than 9 years. If the Board continues to retain the INED after the 12th year, the Board must seek shareholders' approval annually through a 2-tier voting process. Currently none of the INED has served for a cumulative term of more than 9 years.

III. Remuneration

Remuneration Committee, Remuneration of Directors and Senior Management

The present RC which was established by the Board comprises mainly of INEDs and its composition is as follows:-

Chairman	Dato' Haji Roshidi bin Haji Hashim	INED
Member	1) Jason Fong Jian Sheng	INED
	2) Datuk Yap Yee Ping	Executive Director

The RC carry out its function as stated within the terms of reference. The details of the TOR of RC are available for reference at the Company's website at https://gcapital.com.my/corporate-governance/.

The primary function of the RC is to set up and review the policy and procedures of remuneration framework and recommend to the Board the remuneration packages of all the Directors and senior management according to the Group's financial performance, the skills, level of responsibilities, experience and performance of the Directors and senior management. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the RC.



The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC reviews the Board remuneration policy and terms of service of each Director annually taking into consideration market conditions and comparisons, responsibilities held, business strategy, long term objectives and the overall financial performance of the Group.

Non-Executive Directors are paid by way of fixed meeting allowance for each meeting attended. Individual Director is not allowed to participate in discussion of his own remuneration. The Board will then recommend the Directors' fees and other benefits payable to Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

The aggregate remuneration of Directors of the Group and of the Company accrued for the financial year ended 31 December 2023 is as follows:-

	Executive Directors	Non-Executive Directors	Total Group
	RM	RM	RM
Directors' fees	46,000*	108,000	154,000*
Salaries and allowances	1,727,956	-	1,727,956
EPF Contributions	202,611	-	202,611
Social Security Contributions	4,907	-	4,907
Share-based payments	834,288	-	834,288
Other emoluments	-	19,000	19,000
Total	2,815,762	127,000	2,9462,762

^{*} Of which, RM10,000 fee paid to director of a subsidiary.

On a named basis, the details of the total directors' remuneration accrued for the financial year ended 31 December 2023 are as follows: -

Directors' Remuneration

Executive Directors	General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang#	Datuk Yap Yee Ping	Other directors of subsidiaries	Total Group
	RM	RM	RM	RM
Directors' fees	-	36,000	10,000	46,000
Salaries and allowances	34,839	1,362,200	330,917	1,727,956
EPF Contributions	8,594	156,000	38,017	202,611
Social Security Contributions	123	2,317	2,467	4,907
Share based payment	-	834,288	-	834,288
Total	43,556	2,390,805	381,401	2,815,762

Non-Executive Directors	Dato' Rosli bin Sharif	Dato' Haji Roshidi bin Haji Hashim	Jason Fong Jian Sheng	Total for NED who held office at 31-Dec-2023
	RM	RM	RM	RM
Directors' fees	36,000	36,000	36,000	108,000
Other emoluments	6,000	6,000	7,000	19,000
Total	42,000	42,000	43,000	127,000

General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang was appointed on 21 November 2023.

The above disclosure is deemed sufficient to enable stakeholders to assess directors' remuneration vis a vis the Group's performance.



Remuneration of the Top Management

The details of the aggregate remuneration of the five (5) Top Management staff of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) for the financial year ended 31 December 2023 are disclosed and categorised as follows:

Category	Company	Subsidiaries	Total
	RM	RM	RM
Salaries and allowances	-	855,876	855,876
Employee Provident Fund Contributions	-	102,833	102,833
Social Security Contributions	-	4,345	4,345
Share based payment	833,300	-	833,300
Total	833,300	963,054	1,796,354

The number of five (5) Top Management staff whose remuneration paid/payable (excluding share based payment) for financial year ended 31 December 2023 on an aggregated basis is as set out below:-

Yearly Remuneration Range	Number of Senior Management
RM60,000 – RM200,000	3
RM200,001 – RM400,000	2

The Board is of the opinion that the disclosure of the senior management's names and remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality, business and personal security concerns.

The above disclosure is deemed sufficient to enable stakeholders to assess senior management remuneration vis a vis the Group's performance.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Committee

The ARC of the Company currently comprises wholly of Independent Non-Executive Directors. The ARC is chaired by an Independent Non-Executive Director, Dato Rosli bin Sharif with appropriate professional qualifications including accounting and related financial management expertise, and other members of the ARC include Dato' Haji Roshidi bin Haji Hashim and Jason Fong Jian Sheng. The ARC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls.

The ARC Report is set out separately in this Annual Report. Its composition and performance are reviewed by the NC annually and recommended to the Board for its approval. Full details of the ARC's duties and responsibilities are stated in its TOR which is available on the Company's website at at https://gcapital.com.my/corporate-governance/.

The Company complied with Practice 9.1 of the MCCG 2021 which stipulates that the Chairman of the ARC is not the Chairman of the Board. The Company has not appointed any former audit partner to be a member of the ARC.

The Board, through its ARC maintains a formal and transparent relationship with its external auditors. The ARC ensured that the external auditors work closely with the internal auditors to enhance the effectiveness of the overall audit process. The ARC assesses the suitability and independence of the external auditors on an annual basis. Areas of assessment including amongst others, the external auditor's suitability, objectivity, independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement.

The external auditors, in supporting their independence, will provide the ARC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The external auditors have provided such declaration in their annual audit plan presented to the ARC of the Company during the financial year.

The external auditors have an obligation to bring to the attention of the Board of Directors, the ARC and Management any significant defects in the Group's systems of reporting, internal control and compliance with Applicable Approved Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The external auditors are invited to attend at least two (2) meetings with the ARC each financial year to discuss their audit plan and audit findings on the Company's yearly financial statements. Private meetings without the presence of the Management and Executive Director(s) will be held if necessary to discuss any issues that may require the attention of the ARC.

The ARC and the Board are satisfied with the performance, competence and independence of the external auditors and the Board had recommended their re-appointment for shareholders' approval at the forthcoming Annual General Meeting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

II Risk Management and Internal Control Framework

The Board acknowledges the importance of risk management and internal control systems are an integral part of effective management practice and to safeguard shareholders' investment and Group's assets. The ARC ensures principal risks in the Group are identified, assessed and mitigated with the appropriate internal control system.

The Risk Management Working Group (RMWG) consisting mainly of all the Departmental Heads of the Group, was formed to assist the ARC to oversee the risk management system, practices and processes. The RMWG is assigned with the responsibility of continuously monitoring and managing the risks of the Group through risk identification, assessment and control.

The risk management review is performed on yearly basis to assess and manage the risks faced by the Group. The review is carried out to address major risk areas of concern, if any, from the perspectives of environment, regulatory and legal governance and operational controls, financial, customers, contractors and sustainability risks.

The Group has outsourced the services of internal audit to an independent professional service provider ("Outsourced IA") which reports directly to the ARC. Further details of the activities of the internal audit function carried out by the Outsourced IA during the FY2023 are set out in the ARC Report.

The risk management framework and internal control system are disclosed under the Statement on Risk Management and Internal Control.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communicating with Stakeholders

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear as possible complete information of the Group's business position, financial performance and major developments. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results.

The Board believes that the Company's Annual Report is a vital source of essential information for shareholders, investors and other stakeholders where it communicates comprehensive information of the financial results, management and discussion analysis on the operations of the Company, governance and sustainability measures and activities.

General meetings are the key platform for shareholders' participation and for the Board to provide an overview of the Group's progress to-date and respond to questions from shareholders concerning the Group's business, operations and prospects.

Shareholders may also obtain the Company's information, latest announcements and new events relating to the Group through its company's website at www.gcapital.com.my



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

П **Conduct of General Meetings**

The Board also acknowledges annual general meeting and other general meetings as important avenues in engaging with shareholders.

The annual general meeting of the Company represents the principal forum for dialogue with shareholders where they may seek clarification on the Company's business. Shareholders are encouraged to participate in the questions and answers session and the Board will respond to any questions raised during the meeting to the best of its ability and knowledge.

In order to encourage shareholders' participation at the annual general meeting, the Company sends out the notice of annual general meeting earlier or at least 14 days or 21 days (depending of resolutions sought, whether a ordinary resolution(s) or special resolutions) to allow sufficient time for shareholders to make arrangements to attend either in person, by corporate representative, proxy or attorney. In accordance with the recommendations of the MCCG 2021, the Company gives its shareholders at least 28 days prior notice of the AGM of the Company.

During the previous Twenty-Eighth Annual General Meeting ("28th AGM") held on 28 June 2023, all resolutions set out in the Notice of 28th AGM were put to vote by poll. An independent scrutineer was appointed to validate the votes casted at the 28th AGM. The Directors, Management and External Auditors were also in attendance to respond to the shareholders' queries.

Extraordinary General Meeting ("EGM") was held on 3 November 2023, the resolution set out in the Notice of EGM were put to vote by poll. An independent scrutineer was appointed to validate the votes casted at the EGM. The Directors, Management and Advisers were also in attendance to respond to the shareholders' queries.

Statement On Compliance and CG Report

The Board will continue to strive for sound standards of corporate governance throughout the Group to comply with the principles and practices as set out in the MCCG 2021. As required under paragraph 15.25(2) of MMLR of Bursa Securities, the Group's application of each Practice of the MCCG 2021 during the financial year and explanation for departure or alternative practice is set out in the Group's CG Report and can be downloaded at www.gcapital.com.my

This Corporate Governance Overview Statement was approved by the Board of Directors on 19 April 2024.



DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

Directors are legally responsible to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing those financial statements, the Directors ensured that:

- they complied with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and Companies Act 2016 ("the Act");
- appropriate accounting policies are used and applied consistently;
- the going concern basis used in preparation of the financial statements are appropriate; and
- where judgements and estimates are made, they are reasonable and prudent.

The Directors are responsible to ensure that proper accounting records are kept and disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and to ensure that the financial statements comply with MFRSs, IFRSs, the Act and the Main Market Listing Requirements of Bursa Securities. The Directors have a general responsibility for taking such steps as are reasonably available to them to manage risks associated to the business of the Group, safeguard the Group's assets, to prevent and detect fraud and other irregularities.

This Statement was approved by the Board of Directors on 19 April 2024.



ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Part A of Appendix 9C thereto.

1. Utilisation of Proceeds

During the financial year ended 31 December 2023, the Company did not raise any funds through any corporate proposal.

2. Audit Fees and Non-Audit Fees

During the financial year ended 31 December 2023, the amount of audit fees and non-audit fees paid or payable to the Company and the Group are as follows:

	Group RM	Company RM
Audit Fees	165,302	68,000
Non-Audit Fees	5,000	5,000

3. Material Contracts Involving Directors and Major Shareholders

Save for the RRPT, there were no material contracts subsisting as at 31 December 2023 or entered into since the end of the previous financial year, by the Company and its subsidiaries involving Directors' and major shareholders' interest.

4. Contract Relating to Loans

During the financial year, there were no contracts relating to loans entered into by the Company involving the interests of directors and/or major shareholders.



The Board of Directors ("the Board") of G Capital Berhad is pleased to present its Statement on Risk Management & Internal Control which has been prepared pursuant to Paragraph 15.26(b) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

RESPONSIBILITY OF THE BOARD

The Board of the Directors ("Board") acknowledges and assumes its overall responsibility for the system of risk management and internal control of G Capital Berhad ("GCAP") and its controlled entities (collectively hereinafter referred to as "GCAP Group" or the "Group").

The Board acknowledges that the system of internal control is designed to help manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud. As such the system is designed to identify and manage the Group's risk within the risk tolerance established by the Board and Management.

The Board recognises the importance of sound risk management and a system of internal control to meet the Group's business objectives, safeguard shareholders' interest and the Group's assets. The Board affirms its overall responsibility for this system, which includes the establishment of an appropriate control environment and framework as well as reviewing the adequacy and effectiveness of the systems.

The key areas covered by the Group's risk management and system of internal control are financial, organisational, operational, environmental and compliance controls. The Audit & Risk Committee assists the Board in the implementation of the risk management and internal control systems within an established framework throughout the Group.

INTERNAL CONTROL ENVIRONMENT ELEMENTS

The Board recognises the importance of an internal control environment that set the tone of GCAP Group. It is the foundation of all components of internal control to provide the discipline and structure. It influences the control consciousness of the employees in GCAP Group. In recognising the importance of a control environment in the overall governance process, the Board of GCAP has instituted the following:

Board and Board Committee

- Appointment of 3 Independent Non-Executive Directors comprising of 60% of the total Board, who are to ensure that strategies proposed are fully discussed and evaluated.
- Appointment of Board Committees, including Audit & Risk Committee to assist the Board in
 overseeing the overall management of principal areas of risk and evaluate the adequacy and
 effectiveness of risk management and internal control systems. Whilst the Nomination and
 Remuneration Committee have been delegated with specific responsibilities with terms of
 reference, these Committees have the authority to examine all matters within their scope of
 responsibility and report back to the Board with their recommendations for the Board's decision.



Organisational Structure

- The organisational structure of GCAP Group is clear and detailed, defining the roles and responsibilities of the various Committees of the Board, Management of the Corporate Office and subsidiary companies.
- Appointment of Group Executive Director ("GED") on the Board of the operating subsidiary companies within the GCAP Group. The GED's appointment, roles and responsibilities, and authority limits are set by the respective Boards.

Risk Management

- Risk Management is regarded as an integral part of the management process and the process of continual improvement. There is an on-going process for identifying, assessing and responding to risks to achieve the objectives of the Group. The process was in place for the period under review and up to the date of issuance of this Statement on Risk Management and Internal Control. The Group has a risk management process in place to identify, evaluate and manage the significant risks faced by the Group in meeting its business objectives.
- The Group's internal control mechanism is embedded in the various work processes and procedures at appropriate levels in the Group. The Board maintains an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. The Board meets at least quarterly and details out matters specifically reserved for its collective decision in order that effective control over strategic, management, financial, operational, environmental and compliance issues can be maintained.
- The GED, and the senior management team are tasked to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes to safeguard the interest of the Group covering strategic, operation, reporting and compliance risks. In addition, they are assigned with the responsibility of managing the Group. Key functions such as finance, tax, corporate, legal matters and contract awarding are controlled centrally this team. They are also accountable for the conduct and performance of the various business units. They monitor the affairs of the business units through review of performance and operation reports and having monthly management meetings with the departmental heads of the business units to identify, discuss and resolve business, financial, operational, environmental, compliance and management issues. The meetings also serve as a platform whereby the Group's goals and objectives are communicated.

The key objectives of GCAP Group's risk management are as follows:

- Optimise return to shareholders and protect the interests of other stakeholders.
- Safeguard GCAP Group's assets.
- Improve GCAP Group's operating performance.
- Fulfilling GCAP Group's strategic objectives.
- Ensure appropriate and timely responses to changes in the environment that affect GCAP Group's ability to achieve its objectives.
- Reduce risks of material misstatement in official announcements and financial statements.
- Comply with the Malaysian Code of Corporate Governance, the relevant laws and requirements.



Strategic Planning and Performance Monitoring

- Establishment of a clear GCAP Group vision, mission, short and long-term strategic and action plan.
- Establishment of performance monitoring as tool for management to monitor performance and measure against the corporate objectives approved by the Board, covering all key financial, customer, operational, systems and organisational indicators.

Insurance on Assets

- GCAP Group purchases insurance on all its Solar Photovoltaic ("PV") Systems, motor vehicles and liabilities coverage for accidents, bodily injury or property damage.
- Insurance coverage is reviewed regularly to ensure comprehensive coverage in view of the changing business environment or assets.

Business Continuity Management

GCAP Group has identified the potential events that threaten its organisation and established
a framework for building resilience and the capability for effective response which safeguards
the interests of its key stakeholders, reputation, brand and value creating activities in the event
of that potential event becomes an eventuality.

Internal Audit

- Reviews of the internal control system are carried out on a regular basis by the Internal Audit
 function. The findings of their audits are tabled at the Audit & Risk Committee meetings for
 deliberation and the Audit & Risk Committee's expectations on the corrective measures are
 communicated to the respective process owner and subsequently, remedial actions thereon
 taken, are evaluated and monitored on an on-going basis. Then the results of such reviews are
 reported to the Board of Directors at the subsequent quarter Board Meeting.
- Internal control weaknesses identified during the financial period under review have been or are being addressed by management. None of the weakness noted has resulted in any material losses, uncertainties or contingencies that would require disclosure in this statement.
- During the financial year under review, the internal auditors carried out reviews on project management of G Capital Water Solutions Sdn Bhd, in accordance with the approved Internal Audit Planning Memorandum.
- Management of GCAP is pleased to inform that internal auditors report no fraud, defalcations and significant irregularities. The internal auditors recommended the following improvement points to marginal control deficiency and environment detected:-
 - To have a more thorough review of the contracting terms before executing new contract/agreement to minimise contractual vulnerability and legal implications of potential onerous contract; and
 - ii) To ensure prompt invoicing on work done and close follow up on the certification of work done and subsequent collection to minimise cash flows issues.



THE REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the FYE 2023, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report of the Group, in all material aspects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers: or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.



CONCLUSION

The Board, having received assurance from the Executive Director(s) of the Group, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and up to the date of approval of this Statement. There were no material internal control weaknesses which had resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

The key elements of the Group's internal control system discussed above are summarised as follows:-

- (i) a clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications;
- (ii) documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;
- (iii) regular operational and financial reporting to the senior management and/or the Board, highlighting their progress. The Audit & Risk Committee and the Board review quarterly operational as well as financial results and reports;
- (iv) group management meetings are held regularly when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any, for each operating unit and regular visits by the Senior Personnel or Management team to each operating unit as and when necessary;
- (v) Board and Audit & Risk Committee meetings are scheduled regularly, a minimum of four (4) times in a year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;
- (vi) the Audit & Risk Committee reviews the quarterly financial results and yearly Audited Financial Statements prior to the approval of the Board.
- (vii) management ensures that safety regulations within the Group are being considered, implemented and adhered to accordingly;
- (viii) staff training and development programs are regularly provided to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively;
- (ix) major assets are insured to ensure that assets of the Group are sufficiently covered against mishap that may result in material losses to the Group;
- (x) regular visits to the project sites by senior management and Executive Director(s);
- (xi) close involvement of the Executive Director(s) of the Group in its daily operations;
- (xii) established procedures for strategic planning and operations; and
- (xiii) related party transactions are disclosed, reviewed and monitored by the Board on a periodic basis.

The Board remains committed towards the establishment of a sound system of internal control and therefore recognises that the system must continuously evolve to support growth. In striving for continuous improvement, the Group will put in place appropriate action plans, when necessary, to enhance the Group's system of internal control.



AUDIT & RISK COMMITTEE REPORT

COMPOSITION OF THE AUDIT & RISK COMMITTEE

The composition of the Audit & Risk Committee ("ARC") is in compliance with Paragraph 15.09 of the Main Market Listing Requirements. The members of the ARC as at the date of this report are as follows:

Chairman

Dato' Rosli bin Sharif (Independent Non-Executive Director)

Dato' Haji Roshidi bin Haji Hashim (Independent Non-Executive Director) Jason Fong Jian Sheng (Independent Non-Executive Director)

The ARC comprises three (3) Non-Executive Directors, all of whom are Independent Non-Executive Directors. Dato' Rosli bin Sharif is a member of the Malaysian Institute of Accountants (MIA). All members of the ARC are financially literate, able to analyze and interpret financial statements and objectively review matters under the purview of the Committee.

MEETINGS AND ATTENDANCE

The ARC meets periodically to carry out its functions and duties in accordance with its Terms of Reference. During the financial year ended 31 December 2023, the ARC held four (4) meetings. The record of attendance of these meetings during the year is as follows:-

Name of Members	Total Meetings attended
Dato' Rosli bin Sharif	3/4
Dato' Haji Roshidi bin Haji Hashim	3/4
Jason Fong Jian Sheng	4/4

The Executive Chairman, Executive Director and Senior Finance Manager are invited to attend the ARC meetings as and when the need arises to provide explanations, answer queries and clarification to the ARC on specific matters related to their areas of responsibility. The External and Internal auditors are also invited to attend ARC meetings to present their reports on financial results, internal audit reports, audit findings and other matters for the information and/or approval of the ARC.

The Company Secretary was in attendance during the meetings and all proceedings of the ARC meetings are duly minuted and confirmed at the next following ARC Meeting. Minutes of the ARC meetings are included in the Board meeting papers to keep the Board updated on activities of the ARC.



AUDIT & RISK COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE ARC

The ARC's activities for the financial year under review comprise the followings:-

- In overseeing the Group's financial reporting processes, the ARC reviewed and discussed the Group's unaudited quarterly financial results and final draft audited financial statements at the ARC meetings, as well as discussing the financial performance of the Group.
- In the review of the quarterly financial results and annual audited financial statements, the ARC remains focus on ensuring the integrity of the financial reporting. The ARC deliberated and analyzed with the Management, Senior Finance Manager and External Auditors to ensure that they are prepared in compliance with applicable financial reporting standards and regulatory requirements, before presentation to the Board for consideration and approval.
- Reviewed and discussed on the impact of any changes/adoption of new accounting standards, auditing and regulatory issues to the Group's financial reporting processes.
- Reviewed and assessed the adequate of the processes and controls in place for effective and efficient financial reporting and that reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards.
- Reviewed and discussed with the external auditors, prior to the commencement of audit, the audit
 planning memorandum which include matters pertaining to the audit service team, scope of the work,
 significant risks and areas of key audit focus, internal control plan, technical updates, independent
 policies and procedures, timeline, etc.
- Reviewed the Internal Audit Report presented by the Internal Auditors.
- Evaluated the performance of the external auditors including assessment of their independence, technical competency, adequacy of resources and reasonableness of their audit fees and non-audit fees. The ARC recommended to the Board for approval on the re-appointment of external auditors of the Company subject to the shareholders' approval at the forthcoming Annual General Meeting.
- Reviewed and recommended to the Board for consideration and approval:-
 - i) Annual Report, which includes ARC Report, Statement on Risk Management & Internal Control, and Corporate Governance Statement; and
 - ii) Sustainability Report.

ARC PERFORMANCE ASSESSMENT

The Board through the Nomination Committee, carried out an annual assessment on the performance of the ARC. The ARC members also conducted an evaluation of each individual Committee members based on self and peer rating model. Based on the assessment, the Board was satisfied that the ARC and its members have discharged their duties, function and responsibilities in accordance with the ARC's Terms of Reference.

The ARC also conducted an annual review and evaluation in an effort to enhance and improve its processes of the control environment. The ARC was assessed by its members based on six (6) key areas, namely composition and charter, committee process, external auditors, internal audit, sustainability statements/reports, financial statements and quarterly results.



AUDIT & RISK COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Company has engaged an independent professional firm, GovernanceAdvisory.com Sdn Bhd. to provide out-sourced internal audit function to carry out internal audit of the Group. This is to assist the ARC in discharging its duties and responsibilities.

During the financial year under review, the Outsourced IA carried out reviews on the project management of G Capital Water Solutions Sdn Bhd, in accordance with the approved Internal Audit Planning Memorandum.

The Group outsourced the internal audit function for the financial year ended 31 December 2023. The cost incurred for the internal audit function in respect of financial year ended 31 December 2023 was RM96,948.

Notwithstanding the recent change to outsource internal audit function, Audit Committee will continuously assess the need to have in-house internal audit function.

This ARC Report was approved by the Board of Directors on 19 April 2024.

FINANCIAL STATEMENTS

Contents	Page
Directors' Report	86
Statement by Directors	92
Statutory Declaration	93
Independent Auditors' Report to the Members of G Capital Berhad	94
Statements of Financial Position	100
Statements of Comprehensive Income	102
Statements of Changes In Equity	104
Statements of Cash Flows	107
Notes to the Financial Statements	110





DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

Financial Results

	Group RM	Company RM
Net loss for the financial year	(13,113,321)	(9,021,903)
Attributable to: Owners of the Company Non-controlling interests	(9,761,131) (3,352,190) (13,113,321)	(9,021,903) - (9,021,903)

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the course of the financial year, the Company issued shares as follows:

Issue Type	Number of shares Units	Net amount RM
Employees' share option scheme ("ESOS") exercised	4,534,000	1,790,930

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

Long Term Incentive Plan ("LTIP")

The LTIP, consists of an employees' share option scheme ("ESOS") and an employees' share grant scheme ("ESGS"), serves to attract, retain, motivate and reward eligible persons, through the award of the Company's shares or the rights to subscribe for the Company's shares as determined by a LTIP committee in accordance with the LTIP by-laws.

LTIP was approved by the shareholders at the Extraordinary General Meeting held on 30 June 2021 and successfully implemented on 23 July 2021 for a period of five (5) years and may be extended for another five (5) years thereafter ("LTIP Duration").

The salient features of the LTIP are disclosed in Note 18 to the financial statements.

The options granted may be exercised in a staggered basis within the option period up to 22 July 2026.

On 8 March 2023, 32,068,900 ESOS at an exercise price of RM0.33 per ESOS were granted to eligible persons includes confirmed employees and directors of the Group (excluding dormant subsidiaries) fulfilling criterion determined by the LTIP Committee. As a result, the Group and the Company have recognised equity settled share-based payment expenses of RM2,084,479 at the fair value of ESOS of RM0.065 on grant date.

A summary of movements to ESOS is as shown below:

Grant date and vesting date	Expiry date	Fair value at grant date RM	Exercise price per ordinary share RM	Balance as at 1-Jan-23	Number of opt Granted	ions over ord	inary shares Forfeited/ Expired	Balance as at 31-Dec-23
8-Mar-23	22-Jul-26	0.065	0.33	-	32,068,900	(4,534,000)	-	27,534,900

Directors

The Directors in office during the financial year until the date of this report are:

Dato' Haji Roshidi Bin Haji Hashim Dato' Rosli Bin Sharif Datuk Yap Yee Ping ** General (Retired) Tan Sri Dato' Sri Haji Affendi Bin Buang (appointed on 21 November 2023) Jason Fong Jian Sheng

G CAPITAL BERHAD 87 [Registration No.: 199501000977 (330171-P)]

^{**}Datuk Yap Yee Ping is also a Director of the subsidiaries.



Directors (Cont'd)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year until the date of this report are:

Anuar Bin Zainal Abidin

Dato' Shaiful Hazizy Bin Zainol Abidin (appointed on 10 April 2023) Datuk Wira Dr Lee Chong Wei (resigned on 5 January 2023)

Dzulkifly Bin Abdul Khalid

Heng Boon Liang

Lee Mei Ching (resigned on 5 January 2023)

Mazelan Bin Mansor

Muhammad Albashir Bin Abdullah Kok

Siti Salihah Binti Mairin

Syed Amir Nidzamuddin Bin Syed Abu Hussin

Terence Lai Shien Chi Zubir Bin Mohd Zin Zulkepli Bin Mishat

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholding are as follows:

		Number of o	rdinary shares	
Interests in the Company	At 01-Jan-23	Acquired	Disposed	At 31-Dec-23
Direct interests				
Datuk Yap Yee Ping	13,535,500	-	-	13,535,500
Dzulkifly Bin Abdul Khalid	-	11,000	-	11,000
Muhammad Albashir Bin Abdullah Kok	-	800,000	-	800,000
Syed Amir Nidzamuddin Bin Syed Abu				
Hussin	700,000	_	(700,000)	-
Zulkepli Bin Mishat	-	3,034,000	(1,517,000)	1,517,000

In addition to the above, the following Directors are deemed to have an interest in the shares of the Company to the extent of options granted to them pursuant to the ESOS as follows:

	Number of options over ordinary shares			
Share options in the Company	At 01-Jan-23	Granted	Exercised	At 31-Dec-23
Direct interests Datuk Yap Yee Ping	_	12,835,200	_	12,835,200
Dzulkifly Bin Abdul Khalid	-	4,820,000	-	4,820,000
Zulkepli Bin Mishat	-	4,000,000	(3,034,000)	966,000

By virtue of the interest in the shares of the Company, the abovenamed Directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

Directors' Interests in Shares (Cont'd)

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 29(b) to the financial statements.

The directors' benefits are as follows:

	Group RM	Company RM
Executive Directors		
Director fee	46,000	36,000
Salaries and allowances	1,727,956	769,339
Employee Provident Fund Contributions	202,611	86,594
Social Security Contributions	4,907	1,281
	1,981,474	893,214
Share-based payments expenses	834,288	834,288
	2,815,762	1,727,502
Non-Executive Directors	<u> </u>	_
Director fee	108,000	108,000
Other emoluments	19,000	19,000
Outer emoluments	127,000	127,000
	121,000	121,000

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM2,000,000 and RM11,000 respectively.

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.



Other Statutory Information

- Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - to ascertain that action had been taken in relation to the writing off of bad debts and the making (i) of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and that adequate allowance had been made for doubtful debts: and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - which would render it necessary to write off any bad debts or the amount of the allowance for (i) doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - not otherwise dealt with in this report or the financial statements of the Group and of the (iii) Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- At the date of this report, there does not exist: (c)
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
 - no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due:
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

The available auditors' reports on the financial statements of the subsidiary companies did not contain any qualification.

Significant events during the financial year

Details of significant events during the financial year are as disclosed in Note 35 to the financial statements.

Events subsequent to reporting date

Details of subsequent events after the financial year are as disclosed in Note 36 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company during the financial year are as follow:

	Group RM	Company RM
Auditors' remuneration		
UHY	142,000	68,000
Other auditors	23,302	-
	165,302	68,000

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 19 April 2024.

DATO' ROSLI BIN SHARIF	-	DATUK YAP YEE PING

KUALA LUMPUR



STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 19 April 2024.

DATO' ROSLI BIN SHARIF	DATUK YAP YEE PING

KUALA LUMPUR



STATUTORY DECLARATIONPursuant to Section 251(1) of the Companies Act, 2016

Berhad, do solemnly and sincerely declare the financial statements of the Group and of the	nat to th ie Comp	e best of my knowledge and belief, the accompanying bany are correct and I make this solemn declaration y virtue of the provisions of the Statutory Declarations
Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 April 2024.))	
		DATO' ROSLI BIN SHARIF
Before me,		
		Commissioner for Oaths
		Commissioner for Caths



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of G Capital Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 100 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD (CONT'D)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Key Audit Matters

Impairment of goodwill on consolidation

Refer to Note 3 (Material accounting policies), Note 4 (Significant accounting judgements, estimates, and assumptions) and Note 13 (Goodwill on consolidation).

As at 31 December 2023, the carrying amount of goodwill on consolidation is RM10,243,733.

Recoverability of goodwill on acquisition is assessed based on annual impairment tests based on value-in-use derived from an updated cash flow forecasts taking into account latest projection.

Significant judgement and estimates are involved in the determination of value-in-use in respect of growth, discount rate and contingency of future cash flows.

How we addressed the key audit matters

We reviewed the cash flow projection of cash generating units with comparison to recent performance, trend analysis by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them.

We assessed and challenged the key assumptions used by management which includes forecast growth in future revenues and operating costs, the discount rate employed and assessment of the Group's historic forecasting accuracy.

We performed sensitivity analysis to stress test the key assumptions in the cash flow projection which included changes to margin and the discount rate applied.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matters

Impairment assessment on the carrying amount of capital work-in-progress

Refer to Note 3 (Material accounting policies), Note 4 (Significant accounting judgements, estimates, and assumptions) and Note 5 (Property, plant and equipment).

As at 31 December 2023, the carrying value of capital work-in-progress recorded within property, plant and equipment in the Group's statement of financial position amounted to RM33,025,217.

These expenditures are in respect of the initial and development costs incurred in the Group's hydro-electric projects in Perak and solar photovoltaic system projects in Peninsular Malaysia.

Subsidiaries in the Group which hold the capital work-in-progress are in loss making positions. Accordingly, an impairment assessment was performed in accordance with the requirements of MFRS 136 Impairment of Assets.

The Group estimated the recoverable amounts of the carrying value of capital work-in-progress based on the value-in-use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the projects and discounting them at an appropriate discount rate. Such estimations are highly subjective and accordingly we consider this to be an area of audit focus.

How we addressed the key audit matters

We reviewed the future expected cash inflows and outflows from the projects to justify the recoverability of the carrying value of capital work-in-progress.

We assessed and challenged the discount rate employed by the management.

We discussed with management on the progress and status of the projects.

We evaluated management's conclusion that the capital work-in-progress are likely to be recovered in near future by discussing the issue with the management and obtaining an understanding of their communications with the consultants with regards to the progress of the projects.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G CAPITAL BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that we have not acted as auditors for the subsidiary companies disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Firm Number: AF 1411 Chartered Accountants

LIM YANG YUE Approved Number: 03544/12/2024 J Chartered Accountant

KUALA LUMPUR 19 April 2024



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Gre	oup	Company			
		2023	2022	2023	2022		
	Note	RM	RM	RM	RM		
ASSETS							
Non-current assets							
Property, plant and							
equipment	5	98,300,143	98,449,631	19,231	20,317		
Rights-of-use assets	6	27,471	72,146	-			
Other intangible assets	7	22,039,424	22,994,184	-	_		
Investment in		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
subsidiaries	8	_	-	31,489,867	33,416,722		
Investment in				, ,	, ,		
associates	9	-	-	-	-		
Investment in a joint							
venture company	10	18,369	20,711	-	-		
Other investments	11	2,384,588	2,430,919	-	-		
Other receivables	12	345,000	345,000	-	-		
Goodwill on							
consolidation	13	10,243,733	11,054,153				
		133,358,728	135,366,744	31,509,098	33,437,039		
Current assets							
Other investments	11	28,919,230	17,840,003	_	_		
Amount due from		20,313,230	17,040,000				
subsidiaries	14	_	<u>-</u>	60,915,262	63,639,639		
Amount due from a				00,010,202	33,333,333		
joint venture							
company	14	118,803	124,803	-	_		
Amount due from		,	,				
related parties	14	249,982	249,982	118,803	124,803		
Trade receivables	15	6,595,666	5,485,693	-	-		
Other receivables	12	3,946,394	3,574,155	3,020,829	3,021,861		
Tax recoverable		560,601	1,447,283	-	-		
Term deposits	16	581,990	570,000	-	-		
Cash and cash							
equivalents		2,233,543	15,955,002	413,753	688,319		
		43,206,209	45,246,921	64,468,647	67,474,622		
Total assets		176,564,937	180,613,665	95,977,745	100,911,661		



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

		Gro	oup	Comp	pany
	Note	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY					
Share capital	17	132,755,209	130,964,279	132,755,209	130,964,279
Reserves	18	(5,834,431)	(7,559,225)	1,789,769	-
Accumulated losses Equity attributable to owners of the		(28,157,543)	(18,396,412)	(39,238,250)	(30,216,347)
Company Non-controlling		98,763,235	105,008,642	95,306,728	100,747,932
interests		2,326,163	5,700,813		
Total equity		101,089,398	110,709,455	95,306,728	100,747,932
LIABILITIES Non-current liabilities					
Borrowings	19	16,807,290	41,943,177	-	-
Lease liabilities	6	137,214	186,167	-	-
Other payables	20	579,402	797,263	-	-
Deferred tax liabilities	21	5,290,444	5,394,759		
		22,814,350	48,321,366		
Current liabilities					
Borrowings	19	31,977,614	3,039,664	-	_
Lease liabilities Amount due to corporate	6	63,140	118,757	-	-
shareholders	22	2,407,698	2,559,646	-	-
Trade payables	23	6,075,268	12,754,286	-	-
Other payables	20	12,137,469	3,110,491	671,017	163,729
		52,661,189	21,582,844	671,017	163,729
Total liabilities		75,475,539	69,904,210	671,017	163,729
Total equity and liabilities		176,564,937	180,613,665	95,977,745	100,911,661

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	ı	Gre	oup	Comp	pany
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	24	26,255,799	26,874,977	996,000	1,130,000
Other direct costs		(22,317,219)	(21,902,864)	-	-
Employment expenses Premises and	25	(7,693,658)	(4,686,272)	(3,122,839)	(985,229)
infrastructure expenses		(233,476)	(166,134)	(77,572)	(61,475)
Marketing expenses		(100,203)	(14,786)	(13,688)	(14,786)
Administrative expenses Other income		(1,926,073)	(715,573) 420	(740,369)	(186,973)
Other expenses		32,468 (113,495)	(402,794)	(2,274)	(1,714)
Impairment on		(110,100)	(102,101)	(2,211)	(1,711)
receivables		(34,950)	(48,190)	-	-
Foreign exchange gains Depreciation and		3,558	4,259	-	-
amortisation	_	(4,129,146)	(3,524,806)	(3,310)	(17,550)
Operating loss		(10,256,395)	(4,581,763)	(2,964,052)	(137,727)
Dividend income		12,239	-	-	-
Fair value gain/(loss) on equity instruments					
through profit or loss		333,591	(11,250,256)	-	-
(Loss)/Gain on disposal			,		
of investments		(2,239)	346,907	-	-
Bargain purchase gain		-	58,202	-	-
Dissolution of a subsidiary		(13,388)	_	_	_
Impairment loss on:		(10,000)		-	
- Ġoodwill		(810,420)	(4,424,914)	-	-
- Investment in					
subsidiaries		-	-	(2,926,997)	(11,665,273)
 Amount due from a subsidiary 		_	_	(3,841,589)	_
Management fee		_	<u>-</u>	(192,000)	(168,000)
Interest income		8,837	61,974	902,735	744,331
Interest expense		(2,427,092)	(1,116,986)	-	(1,330)
Effect of discounting on			0.40.000		
other receivables		-	218,630	-	-
Effect of discounting on other payables		(73,447)	(102,142)	_	_
Share of loss from a joint		(10,111)	(102,112)		
venture company	=	(2,342)	(2,724)		
Loss before tax	26	(13,230,656)	(20,793,072)	(9,021,903)	(11,227,999)
Taxation	27	117,335	345,944	- (0.004.000)	(44,007,000)
Net loss after tax	=	(13,113,321)	(20,447,128)	(9,021,903)	(11,227,999)



STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		G	roup	Comp	oany
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operations		(4,465)	(3,378)	<u>-</u>	_
Items that will not be reclassified subsequently to profit or loss Fair value changes on equity investments at fair value through					
other comprehensive income ("FVOCI") Other comprehensive		(46,331)	(2,214,928)		
loss for the year, net of tax Total comprehensive loss for the financial		(50,796)	(2,218,306)		
year		(13,164,117)	(22,665,434)	(9,021,903)	(11,227,999)
Loss for the financial year attributable to: Owners of the					
Company Non-controlling		(9,761,131)	(18,676,330)	(9,021,903)	(11,227,999)
interests		(3,352,190) (13,113,321)	(1,770,798) (20,447,128)	(9,021,903)	(11,227,999)
Total comprehensive loss attributable to: Owners of the					
Company Non-controlling		(9,793,394)	(20,008,665)	(9,021,903)	(11,227,999)
interests		(3,370,723) (13,164,117)	(2,656,769) (22,665,434)	(9,021,903)	(11,227,999)
Loss per share ("LPS"):					
Basic LPS (sen) Diluted LPS (sen)	28 28	(3.03) (3.03)	(5.82) (5.82)		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			AA	Attributable to	owners of the	Attributable to owners of the Company	^		
Group	Note	Equit Share transaci capital reserv RM RM	Equity transaction reserve RM	Fair value reserve RM	Foreign currency translation reserve RM	Retained earnings/ (Accumulated losses) RM	Sub-total RM	Non- controlling interests RM	Total equity RM
At 1 January 2022	L	130,964,279	(6,816,190)	597,824	(5,545)	279,918	125,020,286	7,621,046	132,641,332
Loss for the financial year		ı	1	1	•	(18,676,330)	(18,676,330)	(1,770,798)	(20,447,128)
Fall value changes on equity Investments at FVOCI		,	,	(1,328,957)	ı	ı	(1,328,957)	(885,971)	(2,214,928)
Foreign currency translation differences		1	'	1	(3,378)		(3,378)	'	(3,378)
Total comprehensive loss		ı	ı	(1,328,957)	(3,378)	(18,676,330)	(20,008,665)	(2,656,769)	(22,665,434)
Acquisition of a subsidiary		•	1	1	•	•	•	705,347	705,347
Increase in snareholding in subsidiaries		•	(2,979)	•	•	•	(2,979)	2,939	(40)
Capital enlargement in an indirect subsidiary	I	'	'	'	1	•	'	28,250	28,250
At 31 December 2022		130,964,279	(6,819,169)	(731,133)	(8,923)	(18,396,412)	105,008,642	5,700,813	110,709,455



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		+	Ž	Attributabl Non-distributable-	ble to owners	Attributable to owners of the Companydistributable	iny	^		
Group	Note	Share capital RM	Share - based payment reserve RM	Equity transaction reserve RM	Fair value reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Sub-total RM	Non- controlling interests RM	Total equity RM
At 1 January 2023	Ĺ	130,964,279	•	(6,819,169)	(731,133)	(8,923)	(18,396,412)	105,008,642	5,700,813	110,709,455
Loss for the financial year Fair value changes		•	1	•	•	•	(9,761,131)	(9,761,131)	(3,352,190)	(13,113,321)
Investments at FVOCI		•	ı	•	(27,798)	1	•	(27,798)	(18,533)	(46,331)
translation differences Total		•	1	•	1	(4,465)	1	(4,465)	1	(4,465)
comprehensive loss		1	1	,	(27,798)	(4,465)	(9,761,131)	(9,793,394)	(3,370,723)	(13,164,117)
so	17	- 1,790,930	2,084,479 (294,710)		1 1	13,388		13,388 2,084,479 1,496,220	1 1 1	13,388 2,084,479 1,496,220
Acquisition of a subsidiary Enlargement in		ı	ı	(49,087)	ı	ı	•	(49,087)	(026)	(50,057)
share and dilution in a subsidiary	l	•	1	2,987	·	1	•	2,987	(2,957)	30
At 31 December 2023	ļ	132,755,209	1,789,769	(6,865,269)	(758,931)	ı	(28,157,543)	98,763,235	2,326,163	101,089,398



STATEMENTS OF CHANGES IN EQUITYFOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Company	Note	←Non-distr Share capital RM	ributable> Share-based payment reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022 Total comprehensive loss for the financial year At 31 December 2022		130,964,279	- -	(18,988,348) (11,227,999) (30,216,347)	111,975,931 (11,227,999) 100,747,932
At 1 January 2023 Total comprehensive loss for the financial year Issuance of ESOS Shares issued At 31 December 2023	17	130,964,279 - - 1,790,930 132,755,209	- 2,084,479 (294,710) 1,789,769	(30,216,347) (9,021,903) - - (39,238,250)	100,747,932 (9,021,903) 2,084,479 1,496,220 95,306,728

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Gro	up	Comp	anv
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Loss before tax		(13,230,656)	(20,793,072)	(9,021,903)	(11,227,999)
Adjustments for: Amortisation of intangible assets		954,760	1,761,423	_	_
Bargain purchase		30 4 ,700 -	(58,202)	- -	- -
Depreciation of:			(00,202)		
- Property, plant and equipment		3,091,103	1,678,500	3,310	3,088
- Rights-of-use assets		83,283	84,883	-	14,462
Dissolution of a subsidiary		13,388	-	-	-
Dividend income		(12,239)	-	-	-
Effect of discounting on: - Other receivables		_	(218,630)	_	_
- Other payables		73,447	102,142	- -	-
Fair value (gain)/ loss on equity		. 0, 111			
investments		(333,591)	11,250,256	-	-
Unrealised gain on foreign		•			
exchange		-	(4,259)	-	-
Loss/(Gain) on disposal of other		0.000	(246 007)		
investments Impairment loss/(Reversal of		2,239	(346,907)	-	-
impairment loss) on:					
- Goodwill		810,420	4,424,914	-	-
- Investment in subsidiaries		- -	-	2,926,997	11,665,273
- Amount due from a subsidiary		-	-	3,841,589	· -
- Trade receivables		81,980	3,100	-	-
- Other receivables		(47,030)	45,090	(000 705)	(744.004)
Interest expense on:		(8,837)	(61,974)	(902,735)	(744,331)
Interest expense on: - Borrowing		2,407,888	1,101,824	_	-
- Lease liabilities		19,204	15,162	- -	1,330
Property, plant and equipment					.,
written off		-	239,618	-	-
Provision for foreseeable losses		1,481,469	-	_	-
Share-based payment expenses		2,084,479	-	2,084,479	-
Share of loss from a joint venture		0.240	2 724		
company Operating loss before working		2,342	2,724		
capital changes		(2,526,351)	(773,408)	(1,068,263)	(288,177)
					•
Changes in working capital:		(4 547 460)	6 400 447	4.020	100.000
Trade and other receivables Trade and other payables		(1,517,162) 633,692	6,490,117 4,222,300	1,032 507,288	190,963 (680,108)
Cash (used in)/generated from		000,082	4,222,300	JU1,200	(000,100)
operations		(3,409,821)	9,939,009	(559,943)	(777,322)
Interest paid		(2,427,092)	(1,116,986)	-	(1,330)
Interest received		8,837	61,974	195	-
Net tax refunded/(paid)		899,702	(195,513)		
Net cash (used in)/generated		(4.000.074)	0.000.404	(550.740)	(770 050)
from operating activities		(4,928,374)	8,688,484	(559,748)	(778,652)



STATEMENTS OF CASH FLOWSFOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company		
	Note	2023 RM	2022 RM	2023 RM	2022 RM	
Cash flows from investing activities						
Net changes in amount due from - Subsidiaries		-	-	(214,672)	2,366,280	
 A joint venture/related company Acquisitions of: 		6,000	(249,982)	6,000	-	
- Property, plant and equipment*- Short-term other investments		(9,169,910) (6,363,624)	(39,485,538) (1,488,654)	(2,224)		
SubsidiariesChanges in shareholding in		(72)	(675,935)	(1,000,074)	(1,676,035)	
subsidiaries Proceeds from:		30	(40)	(68)	-	
 Disposal of short-term other investment Capital enlargement of a 		1,742,909	13,758,533	-	-	
subsidiary		-	28,250	-	-	
Net changes in term deposits Cash acquired on acquisition of		(11,990)	4,630,000	-	-	
a subsidiary			323,335			
Net cash (used in)/generated from investing activities		(13,796,657)	(23,160,031)	(1,211,038)	690,245	
Cash flows from financing activities						
Proceeds from borrowings (Repayments to)/Advances from		3,802,063	23,852,839	-	-	
a corporate shareholder Proceeds from issuance of		(151,948)	293,228	-	-	
shares		1,496,220	-	1,496,220	-	
Repayment of lease liabilities		(143,178)	(122,162)		(14,670)	
Net cash generated from/(used in) financing activities		5,003,157	24,023,905	1,496,220	(14,670)	
Net (decrease)/increase in cash and cash equivalents		(13,721,874)	9,552,358	(274,566)	(103,077)	
Cash and cash equivalents at beginning of year Effects of exchange rate		15,955,002	6,403,202	688,319	791,396	
changes on cash and cash equivalents		415	(558)			
Cash and cash equivalents at end of year		2,233,543	15,955,002	413,753	688,319	



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

* During the financial year, the Group and the Company made the following payments to purchase property, plant and equipment:

	Gro	oup	Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
Addition to property, plant and equipment Payment to/(Financed by):	2,941,615	41,772,679	2,224	-	
- Lease liabilities	-	(143,000)	-	-	
- Trade payables	6,228,295	(2,144,141)	<u> </u>	-	
Cash paid	9,169,910	39,485,538	2,224	_	

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at D-5-10, Block D, Pusat Komersial Southgate, No. 2, Jalan Dua, off Jalan Chan Sow Lin, 55200, Kuala Lumpur.

The registered office of the Company is located at 11B, Level 2, Greentown Business Centre, Persiaran Greentown 9, 30450 Ipoh, Perak Darul Ridzuan.

The principal activity of the Company is investment holding and provision of business management consultancy services. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

2.1 Going concern

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as a going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

As disclosed in Note 19 to the financial statements, one (1) of the subsidiaries of the Group has breached financial covenant set by financiers. Consequently, RM28,049,156 of the term loans have been reclassified as current liability and causing the Group's current liabilities exceeded its current assets by RM9,454,980. This condition indicates the existence of uncertainty that may cast doubt of the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern will be dependent on, amongst other:-

- (a) The term loan facilities remained available to the subsidiary and not withdrawn by the financiers;
- (b) The financiers provide written waiver for the breach of financial covenant;
- (c) The complete implementation of the Proposed Rights Issue as disclosed in Note 35 to the financial statements; and/or
- (d) The realisation of securities to the borrowings as disclosed in Note 19 to the financial statements, including the contracts and assets of the projects concerned.

The directors of the Company are of the opinion that the preparation of the financial statements of the Group and of the Company on a going concern basis remains appropriate as they believe the financiers will not withdraw the term loan facilities made available, especially with the successful procurement of a bank's written waiver after 31 December 2023 on the breach of debt service coverage ratio ("DSCR") financial covenant and hence RM12,938,246 of the reclassified sum is not immediately due and payable.

In an unlikely event that going concern assumptions no longer valid, the financial statements of the Group may require adjustments relating to the recoverability and classification of recorded assets and liabilities.



2. Basis of Preparation (Cont'd)

2.2 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

(a) Adoption of new and amended standards

The Group and the Company have adopted the following new standard and amendments to standards that are applicable for current financial year:

MFRS 17 **Insurance Contracts** Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information Amendments to MFRS 101 and MFRS Disclosure of Accounting Policies Practice Statement 2 Amendments to MFRS 108 **Definition of Accounting Estimates** Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction International Tax Reform - Pillar Two Amendments to MFRS 112

The adoption of the abovementioned new standard and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies. A brief discussion on the above significant amendment is summarised as bellow:

Model Rules

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

G CAPITAL BERHAD 111 [Registration No.: 199501000977 (330171-P)]



2. **Basis of Preparation (Cont'd)**

Statement of compliance (Cont'd)

Standards issued but not yet effective (b)

The Group and Company have not adopted the following 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	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MRFS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10,	Sales or Contribution of Assets	Deferred until
and Amendments to MFRS	between an Investor and its	further notice
128	Associate or Joint Venture	

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

2.3 **Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2.4 **Basis of measurement**

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.



3. Summary of Material Accounting Policies

The Group and the Company apply the material policies set put below, consistently throughout all periods presented in the financial statements unless otherwise stated.

3.1 Basis of consolidation

(a) Subsidiary companies and business combination

The Group applies acquisition method to account for business combinations from acquisition dates when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interest of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(c) Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

(d) Joint arrangements

The Group classifies its joint arrangement as joint venture as disclosed in Note 10 and account its interests using the equity method as the Group has the rights to the net assets of the arrangements.

(e) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.



3. Summary of Material Accounting Policies (Cont'd)

Financial instruments

Financial assets - subsequent measurement (a)

Financial assets at fair value through profit or loss ("FVTPL")

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend incomes, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at fair value through other comprehensive income ("FVOCI")

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments at fair value through other comprehensive income ("FVOCI")

The Group and the Company subsequently measure all equity instruments at fair value. Upon initial recognition, the Group and the Company have made an irrevocable election to classify its equity investment that are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(b) Financial liabilities - subsequent measurement

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified at FVTPL if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated at such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



3. Summary of Material Accounting Policies (Cont'd)

Property, plant and equipment 3.3

Property, plant and equipment, other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred during construction of assets are capitalised.

Capital work-in-progress are not depreciated as these assets are not yet available for use. Save for right-of-use assets as disclosed in Note 3.4, property, plant and equipment are depreciated on straight-line basis by over their remaining useful lives:

Plant and machinery 10 - 25 years Motor vehicles 5 years 5 - 10 years Furniture, fittings and office equipment

3.4 Leases

(a) Lessee accounting

The Group and the Company present rights-of-use assets ("ROUs") and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise ROUs and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

ROUs

The ROUs are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The ROUs are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROUs or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

> G CAPITAL BERHAD 115 [Registration No.: 199501000977 (330171-P)]



3. Summary of Material Accounting Policies (Cont'd)

3.5 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

The amortisation method used and the estimated useful lives are as follows:-

	Method	Useful lives
Solarpower projects	Straight-line	25 years
Water activities project	Straight-line	1 year

3.6 Revenue and other income

Financing component

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

Revenue from contracts with customers (a)

The Group or the Company recognises revenue at a point in time when they transfer control of a good or service, unless one of the following overtime criteria is met:

- (i) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- the Group's or the Company's performance creates or enhances an asset that (ii) the customer controls as the assets is created or enhanced; or
- the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

Contract costs 3.7

The Group and the Company have applied the practical expedient to recognise the incremental cost of obtaining contract as an expense when incurred if the amortisation period of the asset that the Group and the Company otherwise would have recognised are one year or less.



4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of estimates or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Useful lives of property, plant and equipment

The Group and the Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 5.

4.2 Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 13.

4.3 Impairment of financial assets

The impairment provisions for financial assets is based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting inputs for the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are depending on the number of days that a trade receivable is past due. The Group groups the receivables according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

> G CAPITAL BERHAD 117 [Registration No.: 199501000977 (330171-P)]



4. Significant accounting judgments, estimates and assumptions (Cont'd)

4.3 Impairment of financial assets (Cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forwardlooking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historically observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets is disclosed in Note 32.3.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

The taxation of the Group and of the Company are disclosed in Note 27.

4.5 Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e., the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use their judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the non-financial assets are disclosed in Notes 5, 6, 7, 8, 9, 10 and



4. Significant accounting judgments, estimates and assumptions (Cont'd)

4.6 Share-based payments

The Company grants share options to directors and employees who have met the specified conditions. The share options granted are measured at fair value at grant date using a Black-Scholes valuation model. The key assumptions or inputs used in the Black-Scholes model include current price, exercise price, risk-free rate, volatility of the share price, the dividend yield and time period to maturity, and with an adjustment for an early exercise of option based on the Group's and the Company's past experience with earlier exercises. As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. Similarly, the actual early exercise of options granted may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share-based payment reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.1.

4.7 Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement in selecting a variety of methods and making assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Any changes in these assumptions will have an impact on the carrying amounts of the financial instruments.

The carrying amounts of the financial instruments are disclosed in Note 32.1.

4.8 Provision

The Group and the Company use a "best estimate" as the basis of measuring a provision. Management evaluates the estimates based on the Group's and the Company's experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers, a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate, a reference contractor's price, most recent contracted price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

4.9 Contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, arbitration or government regulation. Judgement is required to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

G CAPITAL BERHAD 119
[Registration No.: 199501000977 (330171-P)]



4. Significant accounting judgments, estimates and assumptions (Cont'd)

4.10 Revenue from water work contracts

The Group recognised revenue in profit or loss upon satisfaction of performance obligations. Certain performance obligation is satisfied over time, determined by the portion of the cost incurred for work performed to date bear to the estimated total project costs.

Significant judgement is required in determining the progress toward complete satisfaction of performance obligation, to the extent of costs incurred, the estimated total revenue and cost, as well as the recoverability of the projects cost. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

4.11 Funding requirements and ability to meet short-term obligations

The Group and the Company apply judgement in determining the funding requirements and their ability to meet short term obligations. The Group and the Company consider the facts and circumstances and makes assumptions about the future, including the cash flows to be generated from the operations of the Group and the Company and the available financing facilities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 19.

The Group's policies and processes for the management of liquidity risk is disclosed in Note 32.3(b) to the financial statements.

5. Property, plant and equipment

Group	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Capital work-in- progress RM	Total RM
Cost					
At 1 January 2022	3,300,000	12,334,675	308,182	55,251,170	71,194,027
Additions	293,228	214,481	209,135	41,055,835	41,772,679
Transfer	52,642,180	-	-	(52,642,180)	-
Write-off	(254,311)	_	-	(6,500)	(260,811)
At 31 December 2022	55,981,097	12,549,156	517,317	43,658,325	112,705,895
Additions	3,705	-	2,733	2,935,177	2,941,615
Transfer	13,568,285	-	-	(13,568,285)	-
At 31 December 2023	69,553,087	12,549,156	520,050	33,025,217	115,647,510
Accumulated depreciation At 1 January 2022 Charge for the financial year Write-off At 31 December 2022 Charge for the financial year At 31 December 2023	50,600 1,627,740 (21,193) 1,657,147 2,992,454 4,649,601	12,313,859 24,819 - 12,338,678 44,128 12,382,806	234,498 25,941 - 260,439 54,521 314,960	- - - - -	12,598,957 1,678,500 (21,193) 14,256,264 3,091,103 17,347,367
	.,0 .0,00 .	,00_,000	<u> </u>		,,,
Carrying amount At 31 December 2022	54,323,950	210,478	256,878	43,658,325	98,449,631
At 31 December 2023	64,903,486	166,350	205,090	33,025,217	98,300,143



5. Property, plant and equipment (Cont'd)

Company	Furniture, fittings and office equipment RM
Cost	07.075
At 1 January 2022/31 December 2022 Additions	27,375 2,224
At 31 December 2023	29,599
Accumulated depreciation	
At 1 January 2022	3,970
Charge for the financial year	3,088
At 31 December 2022	7,058
Charge for the financial year	3,310
At 31 December 2023	10,368
Carrying amount	
At 31 December 2022	20,317
At 31 December 2023	19,231

5.1 Assets pledged as security

Plant and machinery, motor vehicles and capital work-in-progress with carrying amounts of RM64,903,486, RM166,350 and RM19,683,007 respectively (2022: RM54,323,950, RM210,478 and RM30,923,880 respectively) have been pledged as security to secure lease liabilities and borrowings of the Group as disclosed in Notes 6 and 19.

5.2 Interest during construction

During the financial period, interests during construction of RM367,111 (2022: RM325,644) were capitalised for the capital work-in-progress.

During the financial period, RM128,137 (2022: RM412,180) of the completed plant and machinery transferred from capital work-in-progress relates to interests during construction capitalised.

5.3 Rights-of-use assets/Asset held under finance lease

Included in the net carrying amount of motor vehicles are right-of-use assets and assets held under finance lease amounted to RM166,350 (2022: RM210,478).



6. Right-of-use assets/Lease liabilities

Amounts recognised in the statements of financial position relating to rights-of-use assets and leases:

	Grou	nb	Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
Rights-of-use assets					
Buildings					
Cost	200 170	244 560	06 772	06 772	
At 1 January Addition	299,179 38,608	211,569 87,610	86,773	86,773	
Write-off	(86,773)	-	(86,773)	_	
At 31 December	251,014	299,179	-	86,773	
Accumulated depreciation					
At 1 January	227,033	142,150	86,773	72,311	
Charge for the financial	,,,,,,	,	,	-,-,-	
year	83,283	84,883	-	14,462	
Write-off	(86,773)		(86,773)		
At 31 December	223,543	227,033		86,773	
Carrying amount					
At 31 December	27,471	72,146			
	Gro		Compa	-	
	2023 RM	2022 RM	2023 RM	2022 RM	
Lease liabilities	TXW	Kivi	IXIVI	IXIVI	
At 1 January	304,924	196,476	-	14,670	
Addition	38,608	230,610	-	-	
Interest expense	19,204	15,162	-	1,330	
Payment of interest	(19,204)	(15,162)	-	(1,330)	
Payment of principal	(143,178)	(122,162)		(14,670)	
At 31 December	200,354	304,924			
The maturity analysis of lea	ase liabilities at th	ne end of the repo	orting period:		
Within 1 year	93,180	134,487	=	-	
1-2 years	59,580	59,580	-	-	
2-5 years	84,260	114,949	-	-	
More than 5 years	30,384	41,137	-	-	
Lance fortuna formula	267,404	350,153	-	-	
Less: future finance	(67.050)	(45.220)			
charges	(67,050) 200,354	<u>(45,229)</u> 304,924	<u> </u>	<u>-</u>	
	200,004	307,324			
Presented as:					
Non-current	137,214	186,167	-	_	
Current	63,140	118,757	-	_	
	200,354	304,924			

122 G CAPITAL BERHAD [Registration No.: 199501000977 (330171-P)]



6. Right-of-use assets/Lease liabilities (Cont'd)

Amounts recognised in the statements of comprehensive income relating to leases:

	Gro	ир	Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
Depreciation charge on rights-of-use assets Expenses relating to	83,283	84,883	-	14,462	
short term lease	218,455	232,655	48,000	32,000	
Interest expense in lease liabilities	19,204	15,162	_	1,330	

- Included in lease liabilities are hire purchase arrangement obtained from licensed banks secured by motor vehicles of the Group with net carrying amount of RM166,350 (2022: RM210,478).
- 6.4 At the reporting date, the incremental borrowing rate applied to lease liabilities by the Group are ranges from 2.62% to 4.74% (2022: 2.47% to 4.74%) and by the Company at rate of Nil (2022: 5.4%) per annum.

7. Other intangible assets

	- 1	Group		
		2023	2022	
	Note	RM	RM	
Contract assets				
Cost		0.4.000.000	00 000 004	
At 1 January	" >	24,802,229	23,869,024	
Acquisition through business combination	8.2 (b) _		933,205	
At 31 December	_	24,802,229	24,802,229	
Accumulated amortisation				
At 1 January		1,808,045	46,622	
Charge for the financial year	_	954,760	1,761,423	
At 31 December	<u>_</u>	2,762,805	1,808,045	
	_	<u></u>		
Carrying amount				
At 31 December	_	22,039,424	22,994,184	
	_			

8. Investment in subsidiaries

	Comp	Company		
	2023 RM	2022 RM		
Unquoted shares, at cost Less: Accumulated impairment loss	66,569,442 (35,079,575) 31,489,867	65,569,300 (32,152,578) 33,416,722		

The Company conducted a review of the recoverable amounts of its investments in subsidiary companies at the reporting date. As a result, an impairment loss of RM2,926,997 (2022: RM11,665,273) was recognised on cost of investment in two (2) subsidiaries [2022: two (2)] during the financial year when the carrying amount of such investments exceeded its recoverable amount.



Investment in subsidiaries (Cont'd) 8.

Details of the subsidiary companies are as follows:

Country of incorporation/ Principal place of	Effective interest		-
business			Principal activities
Malaysia	100.00	100.00	Investment holding company
Malaysia	70.00	100.00	Property development
Malaysia	70.00	-	Import and distribution of electric vehicles and car leasing services
Malaysia	100.00	100.00	Investment holding company
Malaysia	100.00	100.00	Wholesale of pharmaceutical
Cambodia	-	100.00	and medical goods Provision of management consultation services
Malaysia	100.00	100.00	Chartering of land-based passenger transportation assets and specialty vehicles
Malaysia	100.00	100.00	Provision of public transportation services
Malaysia	96.00*	96.00*	Dealing in hydropower and hydroelectric activities
Malaysia	51.00*	51.00*	Dealing in hydropower and hydroelectric activities
Malaysia	74.64*	74.64*	Dealing in hydropower and hydroelectric activities
	incorporation/ Principal place of business thers Malaysia Malaysia Malaysia Malaysia Cambodia Malaysia Malaysia Malaysia Malaysia	incorporation/ Principal place of business thers Malaysia 100.00 Malaysia 70.00 Malaysia 100.00 Malaysia 100.00	Incorporation/ Principal place of business Effective interest (%) 2023 2022 Effective interest (%) 2023 2022 Ethers Malaysia 100.00 100.00 Malaysia 70.00 100.00 Malaysia 100.00 100.00 Malaysia 100.00 100.00 Malaysia 100.00 100.00 Malaysia 100.00 100.00 Malaysia 96.00* 96.00* Malaysia 51.00* 51.00*



Investment in subsidiaries (Cont'd) 8.

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Country of incorporation/ Principal place of business		e interest %) 2022	Principal activities
^Pusaka Hijau Sdn. Bhd. ("PH")	Malaysia	100.00	100.00	Investment holding company
Subsidiary of PH Perak Hydro Renewable Energy Corporation Sdn. Bhd. ("PHREC")	Malaysia	60.00	60.00	Developing, maintaining and operating of hydropower and hydroelectric activities
^G Hydropower Sdn. Bhd. ("G Hydropower")	Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
Subsidiaries of G Hydropo ^Ace Hydropower Sdn. Bhd. ("Ace Hydropower")	<u>wer</u> Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
^Ingress Energy Sdn. Bhd. ("Ingress Energy")	Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
^North Power Hydropower Sdn. Bhd. ("NP Hydropower")	Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
^Premier Hydropower Sdn. Bhd. ("Premier Hydropower")	Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
^Spark Energy Sdn. Bhd. ("Spark Energy")	Malaysia	98.00#	98.00#	Dealing in hydropower and hydroelectric activities
^Teras Jana Sdn. Bhd. ("Teras Jana")	Malaysia	98.00#	-	Dealing in hydropower and hydroelectric activities
^G Hydropower (Terengganu) Sdn. Bhd. ("G Hydropower (T)")	Malaysia	100.00	-	Dealing in hydropower and hydroelectric activities
Subsidiaries of G Hydropo ^Bestari Renewables Sdn. Bhd. ("Bestari Renewables")	<u>wer (1)</u> Malaysia	100.00	-	Dealing in hydropower and hydroelectric activities
^Cloud Wave Energy Sdn. Bhd. ("Cloud Wave")	Malaysia	100.00	-	Dealing in hydropower and hydroelectric activities
^Northwest Hydro Sdn. Bhd. ("Northwest Hydro")	Malaysia	100.00	-	Dealing in hydropower and hydroelectric activities



8. Investment in subsidiaries (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Country of incorporation/ Principal place of business	Effective (% 2023	interest %) 2022	Principal activities
^Atlas Energy Sdn. Bhd. ("Atlas Energy")	Malaysia	100.00	100.00	Dealing in hydropower and hydroelectric activities
^Excel Hydropower Sdn. Bhd. ("Excel Hydropower")	Malaysia	100.00	-	Property development, property investment and investment holding
^Northern Star Hydropower Sdn. Bhd. ("NS Hydropower")	Malaysia	100.00	100.00	Dealing in hydropower and hydroelectric activities
^Solid Hydropower Sdn. Bhd. ("Solid Hydropower")	Malaysia	100.00	100.00	Dealing in hydropower and hydroelectric activities
Solarpower segment				
Solarcity Malaysia Sdn. Bhd. ("Solarcity")	Malaysia	70.00	70.00	Provision of renewable energy solutions which include supply, install, service and operate green technological systems and related activities
^G Solar Energy Sdn. Bhd. ("G Solar Energy")	Malaysia	100.00	-	Provision of renewable energy solutions which include supply, install, service and operate green technological systems and related activities
Water segment				
G Capital Water Solutions Sdn Bhd ("GCWS")	Malaysia	51.00	51.00	Provision of information technology services, consultancy, facilities management and manpower supply

[^] Audited by auditors other than UHY.

PHREC owns 10.00% (2022: 10.00%) of GH, 5.00% (2022: 5.00%) of CHRE and 46.00% (2022: 46.00%) of KHRE. Effective interest of GH, CHRE and KHRE are as shown below:

	GH	CHRE	KHRE
Direct interest held by the Company	90.00%	-	-
Indirect interest via			
- GH	-	45.00%	44.10%
- PHREC	6.00%	6.00%	30.54%
Effective interest	96.00%	51.00%	74.64%

[@] Voluntarily dissolved on 5 June 2023.



8. Investment in subsidiaries (Cont'd)

PHREC owns 5.00% (2022: 5.00%) of G Hydropower. Effective interest of G Hydropower and its subsidiaries are as shown below: #

8.1 Incorporation of subsidiaries/Addition of investment in subsidiaries

During the financial year

On 29 May 2023, G Hydropower (T) was incorporated with paid up capital of RM2 for the 2 ordinary shares issued; and Teras Jana was incorporated by G Hydropower with paid up capital of RM2 for the 2 ordinary shares issued On 6 June 2023, three (3) new subsidiaries were incorporated by G Hydropower (T), namely, Bestari Renewables, Cloud Wave and Northwest Hydro with paid up capital of RM2 for 2 ordinary shares issued respectively.

On 27 September 2023, G Solar Energy was incorporated with paid up capital of RM2 for the 2 ordinary shares issued.

During the financial year, Teras Jana, Bestari Renewables, Cloud Wave and Northwest Hydro have increased their issued and paid up capital to RM50,000 with issuance of additional 49,998 ordinary shares each. In the same financial year, G Solar Energy has increased its issued and paid-up shares capital from 2 ordinary shares to 1,000,000 ordinary shares for additional shares subscription of RM999,998.

In previous financial year

On 14 March 2022, My GCAP was incorporated with paid up capital of RM2.

In previous financial year, NS Hydropower, a wholly-owned subsidiary of the Company has increased its issued and paid-up share capital from 2 ordinary shares at an issue price of RM1 each for a total consideration of RM999,998. The Company paid RM999,998 for the subscription of shares issued.



Investment in subsidiaries (Cont'd) 8.

Acquisition of subsidiaries 8.2

During the financial year

On 3 January 2023, the Company paid RM2 cash for 2 ordinary shares, obtaining full ownership in Excel Hydropower.

On 14 November 2023, the Company paid RM1 for 1 ordinary share in RHSB, representing 50% of the share capital of RHSB. On the next date, RHSB underwent capital enlargement whereby the Company subscribed 69 new ordinary shares for RM69 and resulting in ownership of 70% equity interest in RHSB.

In previous financial year

On 28 February 2022, the Company paid RM302,435 for 9,000 ordinary shares in GCWS, representing 30% of the share capital of GCWS. On the same date, GCWS underwent capital enlargement whereby the Company subscribed 373,500 new ordinary shares for RM373,500 and resulting in ownership of 51% equity interest in GCWS.

Fair value of consideration transferred: (a)

> 2022 **GCWS** RM

Cash consideration transferred

675,935

(b) Fair value of the identifiable assets acquired and liabilities recognised:

	GCWS RM
Cash and cash equivalents	323,335
Intangible assets acquired - contract assets	933,205
Trade and other receivables	1,293,863
Tax recoverable	1,680
Trade and other payables	(1,112,599)
Total identifiable net assets acquired	1,439,484
Non-controlling interest at fair value	(705,347)
Bargain purchase gain	(58,202)
Fair value of consideration transferred	675,935
	· <u> </u>

A bargain purchase gain of RM58,202 has been recognised in 2022 when purchase consideration is less than the fair value of net assets acquired.

(c) Effects of acquisition on cash flows:

	2022 GCWS RM
Fair value of consideration transferred Less: Cash and cash equivalents acquired	675,935 (323,335)
Net cash outflows on acquisition	352,600



8. Investment in subsidiaries (Cont'd)

8.2 Acquisition of subsidiaries (Cont'd)

In previous financial year (Cont'd)

(d) Effects of acquisition in statements of comprehensive income

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

	GCWS RM
Revenue	7,989,710
Net loss after tax* Other comprehensive income Total comprehensive loss	(1,331,914) - (1,331,914)

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

	2022 GCWS RM
Revenue	8,148,999
Net loss after tax* Other comprehensive income Total comprehensive loss	(1,319,947) - (1,319,947)

^{*} Included bargain purchase gain of RM58,202 in 2022.

8.3 Changes of interests in subsidiaries

During the financial year

On 11 November 2023, My GCAP underwent capital enlargement whereby the Group subscribed 68 new ordinary shares for RM68 and resulting in ownership of 70% equity interest in My GCAP.

In previous financial year

On 27 July 2022, the Group assumed full ownership of CMCI from 60% after cash payment of RM40 and reorganised CMCI from a wholly-owned subsidiary of GR to the Company at cost on 17 October 2022.

	2023 My GCAP RM	CMCI RM
Fair value of consideration transferred Increase in net assets	(68) 98	(40)
Net changes in fair value	30	(40)
Transferred (to)/from non-controlling interests	(2,957)	2,939
Credited/(Charged) directly to equity	2,987	(2,979)



Investment in subsidiaries (Cont'd) œ

Non-controlling interests ("NCI") in subsidiaries 8.4

The following information summarises material NCI to the Group's subsidiaries:

	Effective i voting riç	ffective interests and voting rights held by			NCI share of other	of other		
	_	ISI ISI	NCI share of loss	e of loss	comprehensive loss	sive loss	Carrying am	Sarrying amount of NCI
Name of Company	2023 %	2022 %	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
CHRE	49.0	49.0	(112,093)	(158,978)	•	,	249.879	361,972
PHREC	40.0	40.0	(293,336)	(229,676)	(18,533)	(885,971)	(1,298,885)	(987,016)
Solarcity	30.0	30.0	(992,060)	(584,205)	` '	` 1	5,033,360	6,025,420
GCWS	49.0	49.0	(1,906,569)	(681,157)	•	1	(1,882,379)	24,190
			(3,304,058)	(1,654,016)	(18,533)	(885,971)	2,101,975	5,424,566
Other subsidiaries with immaterial NCI	ZC.		(48,132)	(116,782)			224,188	276,247
Total			(3,352,190)	(1,770,798)	(18,533)	(885,971)	2,326,163	5,700,813

Summarised financial information (before intra-group elimination) for subsidiaries with material NCI is as follows:

Summarised statement of financial position

		2023	23			2022	22	
	CHRE	PHREC RM	Solarcity RM	GCWS	CHRE	PHREC RM	Solarcity RM	GCWS
Non-current assets	14,128,883	3,194,447	71,024,179	327,467	14,119,814	3,257,837	71,650,697	424,818
Current assets	196,010	365,892	3,175,224	3,913,965	261,070	406,591	4,257,917	5,062,072
Non-current liabilities	(705,826)	(579,402)	(16, 134, 389)	(104,290)	(1,100,087)	(797,263)	(40,890,192)	(139,064)
Current liabilities	(13,109,111)	(6,228,148)	(57,471,872)	(7,978,731)	(12,542,079)	(5,334,705)	(32,013,980)	(5,298,458)
Net assets/(liabilities)	509,956 (3,247,	(3,247,211)	593,142	(3,841,589)	738,718	(2,467,540)	3,004,442	49,368



Investment in subsidiaries (Cont'd) <u>∞</u>

Non-controlling interests ("NCI") in subsidiaries (Cont'd) 8.4

Summarised statement of comprehensive income

		2023	23			2022	22	
	CHRE RM	PHREC RM	Solarcity RM	GCWS RM	CHRE	PHREC RM	Solarcity RM	GCWS RM
Revenue Loss for the year	_ (228,761)	- (733,340)	6,073,384 (2,411,300)	2,735,560 (3,890,957)	. (324,461)	- (574,614)	2,651,777 (1,127,564)	8,148,999 (444,943)
lotal comprehensive loss for the year	(228,761)	(779,671)	(2,411,300)	(3,890,957)	(324,461)	(324,461) (2,789,542)	(1,127,564)	(444,943)
		2003	23			6606	22	
	CHRE RM	PHREC RM	Solarcity RM	GCWS RM	CHRE	PHREC RM	Solarcity RM	GCWS
Cash flows changes in: Operating activities	(223,391)	(615,471)	809,717	(1,856,591)	(285,303)	603,796	4,416,654	(3,496,552)
Investing activities Financing activities	(10,300) 168,192	43,000 572,109	(8,193,991) 5,566,793	1,822,894	(18,349) 296,870	(259,900) (416,112)	(29,674,884) 26,750,415	(237,354) 3,812,905
Net changes in cash and cash equivalents	(65,499)	(362)	(362) (1,817,481)	(33,697)	(6,782)	(72.216)	1,492,185	78,999



Investment in associates 9.

	Group
2023	2022
RM	RM

Unquoted shares, at cost

Details of the associates are as follows:

Name of Company	Country of incorporation	Effective ii 2023	nterest (%) 2022	Principal activities
Koridor Mentari Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Maju Renewable Energy Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Maju RE (Talang) Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Maju RE (Temenggor) Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Manifest Frontier Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Pelus Hidro Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Sumber Sejahtera Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities
Topaz Diamond Sdn. Bhd.	Malaysia	3.00%	3.00%	Dealing in hydropower and hydroelectric activities
WGC PHREC Hydro Sdn. Bhd.	Malaysia	3.00%	3.00%	Dealing in hydropower and hydroelectric activities
Zeqna Corporation Sdn. Bhd.	Malaysia	18.00%	18.00%	Dealing in hydropower and hydroelectric activities

The investments in associates are held under PHREC, a subsidiary of the Company.

On 17 December 2012, PHREC had signed a Water Rights Agreement ("WRA") with the State Government of Perak Darul Ridzuan. The WRA is an essential component in the associates' business activities in hydropower and hydroelectric activities in the state of Perak. Shares were allotted to PHREC by virtue of the WRA.

The costs associated with the acquisition of the WRA could not be specifically identified and all expenses if any, related to this acquisition, had been charged to profit and loss of PHREC during previous financial years as they were incurred.

The Group has not recognised losses relating to the associates, where its share of losses exceeds the Group's interest in these associates as the Group has no obligation in respect of these losses.



9. Investment in associates (Cont'd)

The summarised financial information of the certain associates, not adjusted for the proportion of ownership interest held by the Group as at 31 December 2023, is as follow:

	Group	
	2023	2022
	RM	RM
Assets and liabilities Non-current Assets Current Assets Total Assets	108,948,797 15,951,007 124,899,804	108,114,982 16,345,706 124,460,688
Total liabilities	121,964,584	121,441,104
Loss for the year	(3,812,162)	(3,578,528)

10. Investment in a joint venture company

	Group	
	2023 RM	
Unquoted shares, at cost	25,000	25,000
Share of post-acquisition reserves Carrying amount at the end of the financial year	(6,631) 18,369	(4,289) 20,711

Details of the joint venture are as follows:

Name of Company	Country of incorporation		e interest %) 2022	Principal activities
Cekap Hydropower Sdn. Bhd. ("Cekap Hydropower")	Malaysia	49.00%	49.00%	Dealing in hydropower and hydroelectric activities

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Group as at 31 December 2023, is as follow:

	Group	
	2023 RM	2022 RM
Assets and liabilities		
Non-current Assets	127,730	127,730
Current Assets	191,344	202,123
Total Assets	319,074	329,853
Total liabilities	286,371	292,371
Loss for the year	(4,779)	(5,559)



11. Other investments

	Group	
	2023	2022
Non august	RM	RM
Non-current Fair value through other comprehensive income	2,384,588	2,430,919
Current		
Fair value through profit or loss	28,919,230	17,840,003
	31,303,818	20,270,922

At 1 January 2018, the Group designated the following investments as equity instruments at FVOCI because these are investments that the Group intends to hold for long-term strategic purposes. No dividend income was received from the following investments during the current and prior financial

	Fair va	Fair value	
	2023 RM	2022 RM	
Kerian Energy Sdn. Bhd. Kuasa Sezaman Sdn. Bhd.	1,064,809	1,047,913	
Selama Hidro Sdn. Bhd.	1,319,779 2,384,588	1,383,006 2,430,919	



12. Other receivables

		Gro	ир	Comp	any
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current Other receivables	12.1	345,000	345,000		
Current Other receivables Less: loss allowances	12.1	704,050 (225,460) 478,590	477,395 (272,490) 204,905		1,115 - 1,115
Deposits Prepayments	12.2	3,239,596 228,208 3,946,394 4,291,394	3,051,745 317,505 3,574,155 3,919,155	3,007,000 13,829 3,020,829 3,020,829	3,007,000 13,746 3,021,861 3,021,861

Movements in the allowance for impairment losses are as follows:

Group	
2023 2022	
RM RM	
272,490 227,400	
(47,030) 45,090	
225,460 272,490	
272,490 227,400 (47,030) 45,090	

12.1 Included in other receivables are amounts of RM470,000 (2022: RM470,000) which deferred payment terms had been granted to other receivables. These other receivables are recognised based on net present value discounted at a rate of NIL (2022: 9.51%) per annum. The discount rate was estimated based on cost of borrowings on transaction date.

	Grou	Group	
	2023 RM	2022 RM	
Non-current	345,000	345,000	
Current	125,000	125,000	
	470,000	470,000	

12.2 Included in the deposits of the Group are refundable deposits consists of RM188,000 (2022: RM Nil) deposits paid by subsidiary companies to Sustainable Energy Development Authority Malaysia ("SEDA") in feed-in-tariff scheme e-bidding for mini-hydropower projects.



13. Goodwill on consolidation

	Group	
	2023	
	RM	RM
At 1 January	11,054,153	15,479,067
Impairment loss recognised	(810,420)	(4,424,914)
At 31 December	10,243,733	11,054,153

13.1 Goodwill has been allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

	Gro	Group	
	2023 RM	2022 RM	
Hydropower segment Transportation segment	10,243,733	10,243,733 810,420	
·	10,243,733	11,054,153	

13.2 Impairment test for Goodwill

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flow projections from financial forecasts with key assumptions approved by management.

13.2.1 Hydropower segment

The recoverable amounts of CGUs in hydropower segment were based on its value-inuse, determined by discounting future cash flows generated.

Value-in-use was determined by discounting the future cash flows expected to be generated from continuing use of the CGU and was based on the following key assumptions:

- i) Cash flows were projected for 21 years based on Feed-In Approval Letter from Sustainable Energy Development Authority Malaysia.
- ii) The revenue is expected to be constant based on the tariff and output as per expected Feed-In Approval letter from Sustainable Energy Development Authority Malaysia. All expenses are expected to increase at 2% (2022: 2%) per annum.
- iii) A pre-tax discount rate of 5.90% (2022: 6.02%) was applied in determining the recoverable amount of the unit. The discount rate was based on the project's cost of capital.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of all CGUs, the management believes that any reasonable change in any of the above key assumptions would not cause the carrying value of the CGUs to materially exceed their recoverable amounts.



13. Goodwill on consolidation (Cont'd)

13.2 Impairment test for Goodwill (Cont'd)

13.2.2 Transportation segment

The recoverable amounts of CGUs in transportation segment were based on its value-in-use, determined by discounting future cash flow generated.

As the value-in-use is lower than the carrying amount, RM810,420 goodwill impairment was recognised in the financial year.

14. Amount due from subsidiaries, a joint venture company and related parties

Amount due from subsidiary companies, a joint venture company and related parties are unsecured, interest fee and repayable on demand, except loan to certain subsidiaries at 4% (2022: 4%) per annum.

Movements in the allowance for impairment losses are as follows:

	Company	
	2023	2022
	RM	RM
At 1 January	-	-
Impairment losses recognised	3,841,589	-
At 31 December	3,841,589	-

15. Trade receivables

	Grou	Group	
	2023	2022	
	RM	RM	
Trade receivables	12,015,859	10,823,906	
Less: Accumulated impairment losses	(5,420,193)	(5,338,213)	
	6,595,666	5,485,693	

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2022: 30 to 120 days) credit term. Trade receivables are recognised at their original invoice amounts which represent its fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables is as follows:

	Group	
	2023 RM	2022 RM
At 1 January Impairment losses recognised At 31 December	5,338,213 81,980 5,420,193	5,335,113 3,100 5,338,213



15. Trade receivables (Cont'd)

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Grou	Group	
	2023 RM	2022 RM	
	IXIVI	IXIVI	
Not past due	4,982,144	3,324,016	
Past due:			
Less than 30 days	54,510	1,059,130	
31 to 60 days	131,887	127,035	
More than 61 days	6,847,318	6,313,725	
Total past due	7,033,715	7,499,890	
	12,015,859	10,823,906	
Individually impaired	(5,420,193)	(5,338,213)	
	6,595,666	5,485,693	

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Included in trade receivables of the Group are debts arising from government agency customer amounting to RM6,863,223 (2022: RM5,335,113).

16. **Term deposits**

Term deposits with maturity above 3 months. The term deposits placed with licensed banks of the Group are pledged for borrowing facilities granted to the Group as discussed in Note 19.

17. Share capital

	2023 Units	Group and 2022 Units	Company 2023 RM	2022 RM
Fully paid ordinary shares				
At 1 January Issued for ESOS	320,690,971	320,690,971	130,964,279	130,964,279
exercised	4,534,000	-	1,790,930	-
At 31 December	325,224,971	320,690,971	132,755,209	130,964,279

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the residual assets of the Company.

During the financial year, share capital increased to 325,224,971 with 4,534,000 shares issued arising from exercises of ESOS. Consequently, the share capital was enlarged by RM1,790,930 with RM1,496,220 from cash received and RM294,710 from capitalisation of share-based payment reserve.

[Registration No.: 199501000977 (330171-P)]

18. Reserves

18.1 Share-based payment reserve

The share-based payment reserve includes Long Term Incentive Plan ("LTIP"), which consists of cumulative value of employees' share options scheme ("ESOS") and employees' share grant scheme ("ESGS") for employee services received.

LTIP was approved by the shareholders at the Extraordinary General Meeting held on 30 June 2021 and became effective on 23 July 2021 for a period of five (5) years and may be extended for another five (5) years thereafter ("LTIP Duration").

The salient features of the LTIP are as follows:

- (a) the maximum number of new shares that may be made available under the LTIP shall not, in aggregate, exceed fifteen percent (15%) of the Company's total issued and paidup share capital (excluding treasury shares, if any) at any one time during the LTIP duration:
- (b) eligible persons includes confirmed employees and directors of the Group (excluding dormant subsidiaries) fulfilling criterion determined by the LTIP Committee;
- (c) the allocation to an eligible person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed ten percent (10%) of the total number of new shares to be issued under the LTIP;
- (d) not more than eighty percent (80%) of the new Shares to be issued under the LTIP shall be allocated in aggregate to the eligible directors and senior management;
- (e) the LTIP shall be in force for a period of five (5) years and extendable for another five (5) years from the effective date upon the recommendation of the LTIP committee; and
- (f) the options granted may be exercised in full immediately or in parts within the duration of the scheme.

18.1(a) Employees' share option scheme ("ESOS")

Additional salient features specific to the ESOS are as follows:

- a) the ESOS exercise price shall be at a discount of not exceeding ten percent (10%) from the five (5)-day volume weighted average market price of the Company's shares preceding the date of offer.
- b) ESOS are exercisable by grantees at exercise price upon satisfaction of vesting conditions.

The options granted may be exercised in a staggered basis within the option period up to 22 July 2026.

On 8 March 2023, 32,068,900 ESOS at an exercise price of RM0.33 per ESOS were granted to eligible persons includes confirmed employees and directors of the Group (excluding dormant subsidiaries) fulfilling criterion determined by the LTIP Committee.



Reserves (Cont'd) %

Share-based payment reserve (Cont'd) 18.1

18.1(a) Employees' share option scheme ("ESOS") (Cont'd)

The Group and the Company have used the Black-Scholes model with the following inputs in arriving at the share-based payment expenses As required by MFRS 2 Share-based payments, the cost of share-based payment is determined by the fair value at the date of grant is made. of RM2,084,479 with fair value of RM0.065 for each ESOS granted.

	Batch of
	Grant
Inputs	_
Share price at grant date	RM0.385
Exercise price	RM0.33
Dividend yield	%0
Expected life	3.5 year
Risk-free interest rate	3.807%
Volatility	18.832%

A summary of movements to ESOS is as shown below:

			orfeited/ Balance as at	31-Dec-23	
ary shares			Forfeited/	Expired	
lumber of options over ordinary shares				Exercised	
Number of opt				Granted	
			Balance as at	1-Jan-23	
	Exercise	price per	ordinary	share	RM
	Fair	value at	grant	date	RM
			Expiry	date	
	Grant	date and	vesting	date	
			Batch	of grant	



18. Reserves (Cont'd)

18.1 Share-based payment reserve (Cont'd)

18.1(b)Employees' share grant scheme ("ESGS")

Additional salient features specific to the ESGS is as follow:

 New shares will be granted at no cost to grantee upon satisfaction of vesting conditions.

At 31 December 2023 and 31 December 2022, there are neither ESGS granted nor outstanding.

18.2 Equity transaction reserve

The equity transaction reserve comprises the difference between the share of the non-controlling interest in subsidiary acquired, disposed and the consideration paid or received.

18.3 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

18.4 Foreign currency translation reserve

The foreign currency translation reverse represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

G CAPITAL BERHAD 141 [Registration No.: 199501000977 (330171-P)]



19. **Borrowings**

	Gro	Group	
	2023	2022	
N 0 4	RM	RM	
Non-Current			
Term loans	16,807,290	41,943,177	
Current			
Term loans	31,977,614	3,039,664	
	48,784,904	44,982,841	

The contractual interest rates per annum at the end of the reporting period for the bank borrowings were as follows:

Gro	up
2023	2022
%	%
4.70 - 7.65	4.28 - 7.40

Term loans

The term loan of a subsidiary 1 bearing floating rate at lender's Base Lending Rate ("BLR") plus margin is secured by the following:

- (a) Credit Guarantee (M) Berhad (CGC) guarantee under Green Technology Financing Scheme
- Deed of Assignment of Renewable Energy Power Purchase Agreement (REPPA) proceeds (b) between the subsidiary and the Bank 1 that all REPPA proceeds to be channelled direct to the subsidiary's Collection Account with Bank 1;
- Debenture over fixed and floating present and future assets of the subsidiary; and (c)
- Corporate Guarantee from the Company. (d)

The term loans of a subsidiary 2 bearing floating rate at lenders' Cost of Funds ("COF") plus margin are secured by the following:

- Corporate Guarantee from the Company and/or corporate shareholder to the subsidiary 2; (a)
- Corporate Guarantee from one director of subsidiary 2: (b)
- Deed of Assignment over Debt Service Reserve Account ("DSRA") and fixed deposits (see (c) Note 16):
- Negative Pledge: (d)
- Debenture together with Power of Attorney on the assets of the projects financed by Banks (e) (see Note 5);
- (f) Master Deed of Assignment over the proceeds of the Project;
- Assignment of insurance policies/takaful contracts in respect of the projects; and (g)
- Assignment of rights, interest, titles and benefits in relation to the projects and the proceeds (h) therefrom but excluding generation license.

The term loans of a subsidiary 2 contain financial covenant stating that the projects financed should be with debt service coverage ratio ("DSCR") of not be lesser than 1 to 1.3 times, where:-

DSCR Earnings before interest, tax, depreciation and amortisation (EBITDA) Principal Repayment and Interest Payment (P+I)



19. Borrowings (Cont'd)

As at 31 December 2023, the subsidiary 2 was unable to meet the DSCR ratio and in the midst of procuring written waiver for the breach of covenant from the head office of financiers located overseas. The management has procured a verbal confirmation from local office of financiers that the term loans facilities shall remained available to subsidiary 2 and hence a total sum of RM28,049,156 scheduled repayments taking place beyond one year from 31 December 2023 have been reclassified as current liability.

Subsequent to 31 December 2023, the Group has procured a bank's written waiver on the breach of DSCR financial covenant and hence RM12,938,246 of the reclassified sum is not immediately due and payable.

20. Other payables

		Gro	oup	Comp	any
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Non-current					
Other payables	20.1	579,402	797,263		
0					
Current					
Other payables	20.1	9,630,795	2,348,231	358,159	36,342
Accruals		902,547	640,260	312,858	127,387
Deposit received		120,000	120,000	-	-
Amount due to					
directors	20.2	2,658	2,000	-	-
Provision for		,	,		
foreseeable losses	20.3	1,481,469	_	-	-
		12,137,469	3,110,491	671,017	163,729
	,	12,716,871	3,907,754	671,017	163,729

20.1 Included in other payables is an amount of RM2,794,559 (2022: RM2,721,112) which deferred payment terms had been granted to the Group. As such, this other payable is recognised based on net present value discounted at a rate of 9.51% (2022: 9.51%) per annum. The discount rate was estimated based on cost of borrowings on transaction date.

	Group	
	2023 RM	2022 RM
	IXIVI	IXIVI
Non-current	579,402	797,263
Current	2,215,157	1,923,849
	2,794,559	2,721,112

Included in other payables is an amount of RM6,127,160 (2022: NIL) which was incurred for the acquisition of short-term other investments, of which, bearing an interest of 5.50% (2022: NIL) per annum.

- 20.2 The amount due to directors is unsecured, interest-free and repayable on demand.
- 20.3 Provision for foreseeable losses represents the present obligation for losses expected to be incurred for water works and related activities contract.

[Registration No.: 199501000977 (330171-P)]



21. **Deferred tax liabilities**

	Group	
	2023	2022
	RM	RM
At 1 January	5,394,759	5,755,537
Recognised in profit or loss (Note 27)	(104,315)	(360,778)
At 31 December	5,290,444	5,394,759

The recognised deferred tax liabilities are made up of the following:

	Group	
	2023 RM	2022 RM
Taxable temporary difference arising from property, plant and equipment Deferred tax liabilities on fair value of intangible assets acquired	982 5,289,462 5,290,444	982 5,393,777 5,394,759

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unutilised capital allowances	3,452,059	1,109,067	-	-
Unutilised tax losses	28,323,644	22,780,791	542,285	1,084,802
	31,775,703	23,889,858	542,285	1,084,802

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).



21. Deferred tax liabilities (Cont'd)

The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
V				
Years of assessment:				
2028	9,033,634	9,576,151	542,285	1,084,802
2029	1,408,102	1,408,102	-	-
2030	825,303	825,303	-	-
2031	1,992,712	1,992,712	-	-
2032	8,978,523	8,978,523	-	-
2033	6,085,370	-	-	-
	28,323,644	22,780,791	542,285	1,084,802

22. Amount due to corporate shareholders

The amount due to corporate shareholders is unsecured, interest-free and repayable on demand.

23. Trade payables

Credit terms of trade payables of the Group ranges from 30 to 60 days (2022: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in trade payables is amount due to a corporate shareholder amounting to RM2,875,934 (2022: RM8,818,196). Of which, RM2,536,758 (2022: RM8,765,053) was incurred in the construction of the Group's plant and equipment.

24. Revenue

	Gro	oup	Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia At a point in time Revenue from contracts with customer				
Transportation activitiesSale of solar generation	17,446,855	16,233,490	-	-
solutions	1,264,654		<u>-</u>	
	18,711,509	16,233,490	-	-
Overtime Revenue from contracts with customer - Sale of electricity generated and related				
activities - Water works and related	4,808,730	2,651,777	-	-
activities Revenue from other sources:	2,735,560	7,989,710	-	-
- Management fee income	-	-	996,000	1,130,000
-	7,544,290	10,641,487	996,000	1,130,000
	26,255,799	26,874,977	996,000	1,130,000



Employment expenses 25.

	Gro		Compa	
	2023	2022	2023	2022
	RM	RM	RM	RM
Director fee	154,000	141,000	144,000	141,000
Salaries and allowances	4,616,042	3,754,924	769,339	720,000
Employee Provident Fund	4,010,042	0,704,024	700,000	720,000
Contributions	537,072	430,473	86,594	76,680
Social Security Contributions	38,276	30,675	1,281	1,199
Directors' other emoluments	19,000	45,000	19,000	45,000
Other employment related	,	,	,	•
expenses	244,789	284,200	18,146	1,350
·	5,609,179	4,686,272	1,038,360	985,229
Share-based payments				
expenses	2,084,479	<u> </u>	2,084,479	-
	7,693,658	4,686,272	3,122,839	985,229
Employment expenses incurred	for:			
Executive Directors				
Director fee	46,000	36,000	36,000	36,000
Salaries and allowances	1,727,956	1,743,464	769,339	720,000
Employee Provident Fund				
Contributions	202,611	198,576	86,594	76,680
Social Security Contributions	4,907	4,536	1,281	1,199
	1,981,474	1,982,576	893,214	833,879
Share-based payments	004.000		004.000	
expenses	834,288	4 000 576	834,288	- 022.070
	2,815,762	1,982,576	1,727,502	833,879
Non Evecutive Directors				
Non-Executive Directors Director fee	108,000	105,000	108,000	105,000
Other emoluments	19,000	45,000	19,000	45,000
Other emolaments	127,000	150,000	127,000	150,000
	127,000	130,000	121,000	130,000
Key management personnel				
Salaries and allowances	855,876	372,900	_	_
Employee Provident Fund	000,070	072,000		
Contributions	102,833	44,766	_	_
Social Security Contributions	4,345	2,042	-	-
, -	963,054	419,708		
Share-based payments	,	,		
expenses	833,300	-	833,300	-
·	1,796,354	419,708	833,300	_
Other staff				
Salaries and allowances	2,032,210	1,638,560	-	-
Employee Provident Fund				
Contributions	231,628	187,131	-	-
Social Security Contributions	29,024	24,097	-	-
Other employment related				
expenses	244,789	284,200	18,146	1,350
Olean based	2,537,651	2,133,988	18,146	1,350
Share-based payments	440.004		446.004	
expenses	416,891	2 422 000	416,891	4 250
	2,954,542	2,133,988	435,037	1,350

146 G CAPITAL BERHAD [Registration No.: 199501000977 (330171-P)]



26. Loss before tax

Loss before tax is arrived at after charging/(crediting) amongst others, the following items:

	Gro	up	Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Auditors' remuneration:				
- Audit fee				
- Adjustment in respect of prior year	_	(1,167)	-	_
- Current year	165,302	170,000	68,000	68,000
- Non-audit fee	100,002	110,000	00,000	33,333
- Adjustment in respect of prior year	(7,000)	_	(7,000)	_
- Current year	5,000	5,000	5,000	5,000
Amortisation of intangible assets	954,760	1,761,423	-	-
Bargain purchase	-	(58,202)	_	_
Depreciation of:		(00,202)		
- Property, plant and equipment	3,091,103	1,678,500	3,310	3,088
- Rights-of-use assets	83,283	84,883	-	14,462
Dissolution of a subsidiary	13,388	-	_	,
Dividend income	(12,239)	_	_	_
Effect of discounting on:	(-,)			
- Other receivables	_	(218,630)	_	_
- Other payables	73,447	102,142	_	_
Expenses relating to short term leases	218,455	232,655	48,000	32,000
Fair value (gain)/loss on equity	,	,	,	,
investments	(333,591)	11,250,256	_	_
Foreign exchange gains	(,,	,,		
- Realised	(3,558)	-	_	-
- Unrealised	-	(4,259)	_	-
Loss/(Gain) on disposal of short term		(, ,		
other investment	2,239	(346,907)	_	-
Impairment loss/(Reversal of	•	, ,		
impairment loss) on:				
- Goodwill	810,420	4,424,914	_	-
- Investment in subsidiaries	, -	, , , <u>-</u>	2,926,997	11,665,273
- Amount due from a subsidiary	-	-	3,841,589	, , , -
- Trade receivables	81,980	3,100	, , , -	-
- Other receivables	(47,030)	45,090	_	-
Interest income	(8,837)	(61,974)	(902,735)	(744,331)
Interest expense on:	(, ,	, ,	, , ,	, , ,
- Borrowings	2,407,888	1,101,824	-	-
- Lease liabilities	19,204	15,162	-	1,330
Property, plant and equipment written				
off	-	239,618	-	-
Provision for foreseeable losses	1,481,469	, <u>-</u>	-	-
Share-based payments expenses	2,084,479	-	2,084,479	-
Share of loss from a joint venture	•			
company	2,342	2,724	-	-



Taxation 27.

	Group	
	2023 RM	2022 RM
Tax credit recognised in profit or loss Current tax		
- Current year provision	-	13,020
- (Over)/Under provision in prior years	(13,020)	1,814
	(13,020)	14,834
Deferred tax (Note 21)		
- Current year provision	(229,143)	(263,186)
- Under/(Over)provision in prior years	124,818	(97,592)
	(104,315)	(360,778)
	(117,335)	(345,944)

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

A reconciliation of income tax credit applicable to loss before tax at the statutory tax rate to income tax credit at the effective income tax rate of the Group and of the Company are as follows:

	Gro	oup	Com	pany
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(13,230,656)	(20,793,072)	(9,021,903)	(11,227,999)
At Malaysian statutory tax rate of 24% (2022: 24%) Income not subject to tax	(3,175,357) (97,796)	(4,990,337) (64,668)	(2,165,257)	(2,694,720)
Expenses not deductible for tax purposes Deferred tax assets not	1,151,407	4,165,757	2,295,461	2,836,450
recognised Utilisation of deferred tax asset not recognised in	2,022,807	789,225	-	-
prior year (Over)/Underprovision of	(130,204)	(150,143)	(130,204)	(141,730)
income tax in prior years Under/(Over)provision of	(13,020)	1,814	-	-
deferred tax in prior years	124,828 (117,335)	(97,592) (345,944)		<u> </u>

148 G CAPITAL BERHAD [Registration No.: 199501000977 (330171-P)]



28. Loss per share ("LPS")

	Group	
	2023 Sen	2022 Sen
Basic LPS	 (3.03)	(5.82)
Diluted LPS	 (3.03)	(5.82)

The calculation of LPS was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding. The calculation of diluted LPS is based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding adjusted for the dilutive effects of all potential shares. Potential shares are antidilutive when their conversion to ordinary shares would increase earnings per share ("EPS") or decrease LPS.

The following reflects the data used in the computation of basic and diluted LPS:

	Group	
	2023	2022
	RM	RM
Loss attributable to owners of the company used in calculating LPS	(9,761,131)	(18,676,330)
	Gro	up
	2023	2022
	Units	Units
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	320,690,971	320,690,971
Effect of exercise of ESOS	1,971,266	-
Weighted average number of ordinary shares in issue at 31 December	322,662,237	320,690,971
Basic and Diluted LPS	(3.03)	(5.82)



29. Related party disclosures

Identifying related parties (a)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are as follows:

	Group		Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
A person/company connected to a director of subsidiary companies - Transportation services - Provision of engineering,	16,956,514	15,531,492	-	-	
procurement, construction and commission services - Provision of water engineering and related consultancy	5,425,916	37,436,070	-	-	
services - Revenue from water work and related activities	-	563,947 (104,085)	-	-	
Transaction with subsidiary companies		(101,000)			
Interest incomeManagement feeexpenseManagement fee income	- - -	- - -	(902,540) 192,000 (996,000)	(744,331) 168,000 (1,130,000)	

(c) Compensation of key management personnel

Remuneration of Directors and other members of key personnel management are as disclosed in Note 25.



30. Reconciliation of liabilities arising from financial activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1-Jan-23 RM	Financing cash flows (i) RM	New lease RM	At 31-Dec-23 RM
Group				
Amount due to corporate				
shareholders	2,559,646	(151,948)	-	2,407,698
Lease liabilities	304,924	(143,178)	38,608	200,354
Term loans	44,982,841	3,802,063	-	48,784,904
	47,847,411	3,506,937	38,608	51,392,956

	At 1-Jan-22 RM	Financing cash flows (i) RM	New lease RM	At 31-Dec-22 RM
Group				
Amount due to corporate				
shareholders	2,266,418	293,228	-	2,559,646
Lease liabilities	196,476	(122, 162)	230,610	304,924
Term loans	21,130,002	23,852,839	-	44,982,841
	23,592,896	24,023,905	230,610	47,847,411
Company				
Lease liabilities	14,670	(14,670)	-	-

⁽i) The cash flows from corporate shareholders, lease liabilities and term loans make up the net amount of proceeds from or repayments of corporate shareholders, lease liabilities and term loan in the statements of cash flows.



31. Segment information

The Group has five (5) [2022: five (5)] reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e., the Group's Executive Director) reviews internal management reports at least on a quarterly basis.

The Group operates predominately in transportation services, hydropower activities, solarpower activities, water activities and investment holdings in Malaysia.

The following is major customer with revenue equal or more than 10% of the Group's revenue:

Grou	ир
2023	2022
RM	RM
17,446,855	16,233,490
<u> </u>	5,344,589

Customer A Customer B

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by CODM.

[Registration No.: 199501000977 (330171-P)]



31. Segment information (Cont'd)

	Transportation PM	Hydropower	Solarpower	Water	Investment holding and others	Total	Inter- segment adjustments	Consolidated
Revenue	17,446,855	-	6,073,384	2,735,560		26,255,799		26,255,799
Results Adjusted EBITDA Foreign exchange gains Dividend income	660'68	(1,294,730)	4,164,181	(3,010,410)	(6,078,947) 3,558 12,239	(6,130,807) 3,558 12,239		(6,130,807) 3,558 12,239
Fair value gain of financial instruments through profit or loss Dissolution of a subsidiary Loss on disposal of investments				1 1 1	333,591 (13,388) (2,239)	333,591 (13,388) (2,239)		333,591 (13,388) (2,239)
Impairment loss on: - Goodwill - Investment in subsidiaries - Amount due from a subsidiary	(810,420)	1 1 1	1 1 1	1 1 1	- (2,926,997) (3,841,589)	(810,420) (2,926,997) (3,841,589)	2,926,997 3,841,589	(810,420)
Management fee - income Management fee - expense Share of loss from a joint	(852,000)	. (468,000)	(576,000)	. (576,000)	2,772,000 (300,000)	2,772,000 (2,772,000)	(2,772,000) 2,772,000	
venture company EBITDA Depreciation and amortisation	(1,573,321)	(2,342) (1,765,072) (19,109)	3,588,181	- (3,586,410) (135,959)	- (10,041,772) (24,358)	(2,342) (13,378,394) (4,129,146)	6,768,586	(2,342) (6,609,808) (4,129,146)
Interest income Interest expense Effect of discounting on other		(87,484)	(3,071,084)	(168,719)	911,245 (2,345)	(3,329,632)	(902,540) 902,540	8,837 (2,427,092)
payables Loss before tax Taxation Net loss after tax	(1,575,826)	(73,447) (1,945,112) - (1,945,112)	(3,430,118) 117,335 (3,312,783)	- (3,890,956) - (3,890,956)	(9,157,230)	(73,447) (19,999,242) 117,335 (19,881,907)	6,768,586	(13,230,656) (13,230,656) 117,335 (13,113,321)
Segment assets Segment liabilities	7,114,797 2,930,121	41,225,730 34,367,999	95,673,644 77,901,695	4,241,432 8,083,021	102,205,184 26,088,553	250,460,787 149,371,389	(73,895,850) (73,895,850)	176,564,937 75,475,539



Segment information (Cont'd) 31.

					Investment holding and		Inter- segment	
2022	Transportation RM	Hydropower RM	Solarpower RM	Water RM	others RM	Total RM	adjustments RM	Consolidated RM
Revenue	16,233,490	1	2,651,777	7,989,710	28,572	26,903,549	(28,572)	26,874,977
Results Adjusted EBITDA Foreign exchange gains Fair value loss of financial	331,194	(974,627)	2,378,922	202,078	(2,998,783) 4,259	(1,061,216) 4,259		(1,061,216) 4,259
Instruments through profit or loss Bargain purchase gain Gain on disposal of investments	1 1 1	1 1 1	1 1 1	58,202	(11,250,256) - 346,907	(11,250,256) 58,202 346,907	1 1 1	(11,250,256) 58,202 346,907
- Goodwill - Investment in subsidiaries Management fee - income Management fee - expense	(4,424,914) - - (840,000)	- - (456,000)	- - - (576,000)	(560,000)	- (11,665,273) 2,720,000 (288,000)	(4,424,914) (11,665,273) 2,720,000 (2,720,000)	- 11,665,273 (2,720,000) 2,720,000	(4,424,914) - -
venture company EBITDA	(4,933,720)	(1,433,351)	1,802,922	(299,720)	(23,131,146)	(27,995,015)	11,665,273	(16,329,742)
Deprectation and amortisation Interest income Interest expense	(2,714)	(64,430) - (94,642)	(2,455,958) 54,249 (1,707,367)	(976,330) - (55,845)	(25,354) 752,056 (3,463)	(3,524,806) 806,305 (1,861,317)	744,331) 744,331	(3,524,806) 61,974 (1,116,986)
receivables Effect of discounting on other	1	218,630	ı	ı	ı	218,630	1	218,630
payables Loss before tax Taxation	- (4,936,434) (1,814)	(99,553) (1,473,346)	(2,308,743) 347,758	- (1,331,915) -	(22,407,907)	(32,458,345) 345,944	11,665,273	(102,142) (20,793,072) 345,944
Net loss after tax	(4,938,248)	(1,473,346)	(1,960,985)	(1,331,915)	(22,407,907)	(32,112,401)	11,665,273	(20,447,128)
Segment assets Segment liabilities	7,850,718 2,090,216	49,687,861 40,795,271	98,382,682 78,297,949	5,486,890 5,437,522	92,974,048 17,051,786	254,382,199 143,672,744	(73,768,534) (73,768,534)	180,613,665 69,904,210



32. Financial instruments

32.1 Classification of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")
- (b) Amortised cost ("AC")
- (c) Fair value through profit or loss ("FVTPL")

Group	Carrying amounts RM	FVOCI- EIDUIR RM	AC RM	FVTPL RM
Group	KIVI	KIVI	KIVI	KIVI
<u>2023</u>				
Financial assets				
Other investments	31,303,818	2,384,588	-	28,919,230
Trade receivables	6,595,666	-	6,595,666	-
Other receivables	4 000 400		4 000 400	
(excluding prepayments) Amount due from related	4,063,186	-	4,063,186	-
parties	249,982	_	249,982	_
Amount due from a joint	240,002		240,002	
venture company	118,803	-	118,803	_
Term deposits	581,990	-	581,990	-
Cash and cash equivalents	2,233,543		2,233,543	
	45,146,988	2,384,588	13,843,170	28,919,230
Financial liabilities				
Financial liabilities Borrowings	48,784,904	_	48,784,904	_
Lease liabilities	200,354	-	200,354	_
Trade payables	6,075,268	_	6,075,268	_
Other payables (excluding	-,,		-,,	
provision for foreseeable				
losses)	11,235,402	-	11,235,402	-
Amount due to corporate				
shareholders	2,407,698		2,407,698	
	68,703,626		68,703,626	
2022				
Financial assets				
Other investments	20,270,922	2,430,919	-	17,840,003
Trade receivables	5,485,693	-	5,485,693	-
Other receivables				
(excluding prepayments)	3,601,650	-	3,601,650	-
Amount due from related	240.002		240.002	
parties Amount due from a joint	249,982	-	249,982	-
venture company	124,803	_	124,803	_
Term deposits	570,000	_	570,000	_
Cash and cash equivalents	15,955,002	-	15,955,002	_
·	46,258,052	2,430,919	25,987,130	17,840,003
—				
Financial liabilities	44 000 044		44.000.044	
Borrowings	44,982,841	-	44,982,841	-
Lease liabilities Trade payables	304,924 12,754,286	-	304,924 12,754,286	-
Other payables	12,754,286 3,907,754	-	3,907,754	<u>-</u>
Amount due to corporate	5,501,154	-	0,301,104	-
shareholders	2,559,646	-	2,559,646	_
-	64,509,451		64,509,451	
	, -, -			



Financial instruments (Cont'd) 32.

32.1 Classification of financial instruments (Cont'd)

Company	Carrying amounts RM	AC RM
Financial assets Other receivables (excluding prepayments) Amount due from related parties Amount due from subsidiary companies Cash and cash equivalents	3,007,000 118,803 60,915,262 413,753 64,454,818	3,007,000 118,803 60,915,262 413,753 64,454,818
Financial liabilities Other payables	671,017	671,017
2022 Financial assets Other receivables (excluding prepayments) Amount due from related parties Amount due from subsidiary companies Cash and cash equivalents	3,008,115 124,803 63,639,639 688,319 67,460,876	3,008,115 124,803 63,639,639 688,319 67,460,876
Financial liabilities Other payables	163,729	163,729

32.2 Net (losses)/gains arising from financial instruments

	Gro	up	Comp	any
	2023 RM	2022 RM	2023 RM	2022 RM
Net (losses)/gain on:				
Fair value changes of equity instruments at				
FVOCI Fair value through	(46,331)	(2,214,928)	-	-
profit or loss Financial assets at	333,591	(11,250,256)	-	-
amortised cost Financial liabilities	(26,113)	232,414	(2,938,854)	744,331
at amortised cost	(2,500,539)	(1,219,128)		(1,330)
	(2,239,392)	(14,451,898)	(2,938,854)	743,001



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, interest rate and foreign currency risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantee given to banks for credit facilities granted to a subsidiary company. For other investments, the Group minimises credit risk by dealing exclusively with counterparties of high credit rating and good business track record. There are no significant changes as compared to prior periods.

i) Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

G CAPITAL BERHAD 157
[Registration No.: 199501000977 (330171-P)]



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd) (a)

i) Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days. For debts above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days may be considered as credit impaired.

ii) Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from deferred payment terms granted to its other receivables which are recognised based on their net present values and deposits paid for utilities.

The Group monitors the exposure to credit risk on an individual basis and does not foresee any recoverability issue given that all payments are made based on signed contracts or agreements.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

As at the end of the reporting period, there is an allowance for impairment loss being recognised as disclosed in Note 12 to the financial statements.

iii) Term deposits and cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The term deposits and cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the there is no credit risk for term deposits and cash and cash equivalents held with banks and financial institutions.



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

iv) Inter-company loans, advances and financial guarantee

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. It also provides unsecured financial guarantee to banks for banking facilities granted to a subsidiary company. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position except for financial guarantee provided to banks. The company's maximum exposure in this respect is RM47,729,694 (2022: RM43,572,192). The financial guarantees of the Company have not been recognised since the fair value on initial recognition was not material. Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- b) the subsidiary is continuously loss making and is having a deficit shareholders' fund with no plan to turnaround the business.

The Company determines the probability of default of these advances individually using internal information available.

v) Investments and other financial assets

Investments and other financial assets are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position. Management does not expect any counterparty to fail to meet its obligations. The investments and other financial assets are unsecured.

The Group is of the view that there is no credit risk for investments and other financial assets.

G CAPITAL BERHAD 159
[Registration No.: 199501000977 (330171-P)]



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies (Cont'd)

Liquidity risk (b)

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The Groups has also not met certain financial covenants at the end of the financial year. The Group had prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial period. Significant assumption and judgements are used in the preparation of the cash flow forecast.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



Financial instruments (Cont'd) 32.

NOTES TO THE FINANCIAL STATEMENTS (CONTD)

32.3 Financial risk management objectives and policies (Cont'd)

Liquidity risks (Cont'd) <u>Q</u>

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amounts RM	Contractual interest/ Discount rate %	Contractual cash flows RM	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<u>2023</u> Borrowings I ease liabilities	48,784,904	4.70 - 7.65 2.62 - 4.74	68,655,693 267 404	45,211,007	2,754,727	6,678,957	14,011,002 30.384
Trade payables Other payables (excluding	6,075,268	: :	6,075,268	6,075,268) ')))) ') [;	1
provision for foreseeable losses) Amount due to a	11,235,402	•	11,344,413	10,656,000	485,128	203,285	•
corporate shareholder	2,407,698	ı	2,407,698	2,407,698	•	1	1
•	68,703,626		88,750,476	64,443,153	3,299,435	6,966,502	14,041,386
2022 Borrowings	44 982 841	4 28 - 7 40	57 703 179	5 250 154	6 210 378	29 442 125	16 800 522
Lease liabilities	304,924	2.47 - 4.74	350,153	134,487	59,580	114,949	41,137
Trade payables	12,754,286	•	12,754,286	12,754,286	1		
Other payables	3,907,754	ı	3,970,212	2,990,491	291,308	682,477	5,936
corporate shareholder	2,559,646	ı	2,559,646	2,559,646	•	ı	·
	64,509,451		77,337,476	23,689,064	6,561,266	30,239,551	16,847,595



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies (Cont'd)

Liquidity risks (Cont'd) (b)

Maturity analysis (Cont'd)

Company	Carrying amounts RM	Contractual interest/ Discount rate %	Contractual cash flows RM	Within 1 year RM
2023 Other payables Financial guarantee*	671,017	-	671,017 47,729,694	671,017 47,729,694
2022 Other payables	671,017 163,729	-	48,400,711 163,729	48,400,711 163,729
Financial guarantee*	163,729	-	43,572,192 43,735,921	43,572,192 43,735,921

Based on the maximum amount that can be called for under the financial guarantee contract.



32. Financial instruments (Cont'd)

32.3 Financial risk management objectives and policies (Cont'd)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

i) Interest rate risk

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income. The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Gro	up
	2023	2022
	RM	RM
Floating rate instruments		
Financial liabilities	(48,784,904)	(44,982,841)

Interest rate risk sensitivity analysis

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Grou	ıp
	2023	2022
	RM	RM
Movement in interest rate		
Increase by 100bp	(370,765)	(341,870)
Decrease by 100bp	370,765	341,870

G CAPITAL BERHAD 163 [Registration No.: 199501000977 (330171-P)]



Financial instruments (Cont'd) 32.

Fair value information 32.4

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

The tables below analyse financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amounts shown in the statements of financial position.

	Fair value of financial		instruments carried at fair value	at fair value	Fair value of financial instruments not carried at fair value	of financial instrum carried at fair value	uments not ue		
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 2 RM	Level 3 RM	Total RM	i otal rair value RM	carrying amount RM
2023 Financial assets Other investments	28,919,230	ı	2,384,588	31,303,818	'	,	1	31,303,818	31,303,818
(non-current)	- 28,919,230		2,384,588	31,303,818	1 1	345,000 345,000	345,000 345,000	345,000 31,648,818	345,000
Financial liabilities Borrowings	ı	1	,	1	20,116,785	,	20,116,785	20,116,785	16,807,290
Other payables (non- current)			. .	1 1	20,116,785	579,402	579,402	579,402	579,402 17,386,692
2022 Financial assets Other investments	17,840,003	,	2,430,919	20,270,922	,		,	20,270,922	20,270,922
Other receivables (non-current)	-17,840,003		2,430,919	20,270,922		345,000 345,000	345,000 345,000	345,000 20,615,922	345,000 20,615,922
Financial liabilities Borrowings	ı	,	1	ı	46,787,233	1	46,787,233	46,787,233	41,943,177
Other payables (non- current)	•	•	1	1	1	797,263	797,263	797,263	797,263
	•	•	•	-	46,787,233	797,263	47,584,496	47,584,496	42,740,440

32. Financial instruments (Cont'd)

32.4 Fair value information (Cont'd)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value

The following is a description of the fair value measurements using significant unobservable inputs (Level 3):

Grou	ıp
2023	2022
RM	RM
1,064,809	1,047,913
-	-
1,319,779	1,383,006
2,384,588	2,430,919
	RM 1,064,809 - 1,319,779

The fair value of financial instruments is determined based on value-in-use calculations using cash flow projections from financial forecasts with key assumptions approved by management.

Key assumptions and management's approach to respective financial instruments, being the project companies for small hydropower projects are as follows:

- i) Cash flows were projected for 21 years based on Feed-In Approval letter from Sustainable Energy Development Authority Malaysia and all balance of the annual cash flow will be distributed as dividend to shareholders.
- ii) The revenue is expected to be constant based on the tariff and output as per expected Feed-In Approval letter from Sustainable Energy Development Authority Malaysia. All expenses are expected to increase at 3% per annum (2022: 3% per annum).
- iii) A pre-tax discount rate of 5.50% (2022: 6.10%) was applied in determining the recoverable amount of the unit. The discount rate was based on the weighted average cost of fund to respective projects.



32. Financial instruments (Cont'd)

32.4 Fair value information (Cont'd)

Sensitivity analysis

If the discount rate had been increased by 1% with all other variables held constant, the fair value of the project companies as at the end of the reporting period will be reduced by the following:

	Grou	ıp 💮
	2023	2022
	RM	RM
Kerian Energy Sdn. Bhd.	(362,683)	(391,441)
Kuasa Sezaman Sdn. Bhd.	-	-
Selama Hidro Sdn. Bhd.	(404,886)	(342,242)
	(767,569)	(733,683)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between fair value levels

There was no transfers between the fair value levels during the current financial year.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest determined by reference to similar borrowing arrangements at the end of the reporting period.

33. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at end of the reporting period are as follows:

	2023 RM	2022 RM
Borrowings Less: Cash and cash equivalents Net debt	48,784,904 (2,233,543) 46,551,361	44,982,841 (15,955,002) 29,027,839
Total equity	101,089,398	110,709,455
Debt-to-equity ratio	0.46	0.26



34. Capital commitments

Gro	up
2023	2022
RM	RM
40 500 040	10 500 010
13,580,240	13,580,240
811,740	11,073,540
14,391,980	24,653,780

Capital work-in-progress contracted but not provided for:

- Small-hydropower projects
- Solar Photovoltaic projects

35. Significant events during the financial year

Proposed Rights Issue

On 5 April 2023, KAF Investment Bank Berhad ("KAF IB" or "principal advisor") had announced on behalf of the Company ("GCAP") that GCAP is proposing to undertake a proposed renounceable rights issue of up to RM112,883,159 nominal value of 1,411,039,484 five (5)-year, 8.0%, 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. The proceeds arising therefrom are to be utilised mainly to part finance development of small hydropower projects and to meet working capital requirements of the Group.

The Securities Commission ("SC") and Bursa Malaysia Securities Berhad ("Bursa Securities") have granted approval for the Proposed Rights Issue on 10 July 2023 and 4 September 2023, respectively.

The shareholders of GCAP then granted mandate for the Proposed Rights Issue in the Extraordinary General Meeting ("EGM") held on 3 November 2023.

On 20 February 2024, Bursa Securities has approved an extension of time for GCAP to complete the implementation of the Proposed Rights Issue by 10 July 2024.

36. Events subsequent to reporting date

On 18 March 2024, the Company paid RM2 to acquire 2 existing ordinary shares in AAA Development Sdn. Bhd.("AAA"). On the same day, AAA underwent a capital enlargement whereby the Company subscribed 68 new ordinary shares for RM68 and resulting in ownership of 70% equity interest in AAA. The principal activities of AAA are general trading and services.

37. Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 April 2024.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting ("29th AGM") of G Capital Berhad will be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at https://web.vote2u.my (Domain Registration No with MYNIC: D6A471702) on Thursday, 27 June 2024 at 8.30 a.m. for the following purposes:-

AGENDA Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. (Refer to Explanatory Note A)
- 2 To approve the payment of Directors' fees of not exceeding RM300,000 for (Ordinary Resolution 1) financial year ending 31 December 2024.
- 3 To approve the payment of Directors' benefits (excluding Directors' fees) in (Ordinary Resolution 2) accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM75,000 for the period from the 29th AGM until the next Annual General Meeting of the Company.
- 4 To re-elect Dato' Haji Roshidi bin Haji Hashim who retires by rotation pursuant (Ordinary Resolution 3) to Clause 95 of the Constitution of the Company.
- 5. To re-elect General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang who was (Ordinary Resolution 4) appointed during the year and retire pursuant to Clause 102 of the Constitution of the Company.
- 6 To re-appoint Messrs UHY as Auditors of the Company until the conclusion of (Ordinary Resolution 5) the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass the following resolutions:-

Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies (Ordinary Resolution 6) Act 2016

"THAT subject to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the number of issued shares of the Company for the time being and the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence



immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 57 of the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board is exempted from the obligations to offer the new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of the new Shares pursuant to Sections 75 & 76 of the Companies Act, 2016."

8 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party (Transactions of a revenue or trading nature

(Ordinary Resolution 7)

"THAT subject to the Companies Act 2016 (the "Act") and Bursa Malaysia Securities Berhad Main Market Listing Requirements, other applicable laws, guidelines, rules and regulations, and the approval of the relevant government and/or regulatory authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties ("Recurrent Related Party Transactions") as set out in Section 2.3.3 of the Circular to Shareholders dated 30 April 2024 ("the Circular"), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are no more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the non-interested shareholders of the Company;
- (ii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall commence immediately upon passing of this ordinary resolution and continue to be in full force until:
 - (a) the conclusion of the next AGM of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or
 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company and/or any one of them be and are/is hereby authorised to complete and do all such acts, deeds and things as they consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/ or amendments as the Directors of the Company in their discretion deem fit and expedient to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution



9 **Proposed Renewal of Share Buy-Back Authority**

(Ordinary Resolution 8)

"THAT subject to the Companies Act, 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

- a) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as treasury shares (if any); and
- b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase, upon such terms and conditions as set out in the Statement to Shareholders dated 30 April 2024.

THAT the authority conferred by this resolution shall continue to be in force until:-

- a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions; or
- b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) of the ordinary shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase(s) of the ordinary shares by the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

- a) distribute the ordinary shares as share dividends to shareholders; and/or
- b) resell the ordinary shares or any of the ordinary shares in accordance with the relevant rules of Bursa Malaysia; and/or
- c) transfer the ordinary shares or any of the ordinary shares for the purposes of or under an employees' share scheme; and/or
- d) transfer the ordinary shares or any of the ordinary shares as purchase consideration; and/or
- e) cancel the ordinary shares or any of the ordinary shares; and/or
- f) sell, transfer or otherwise use the ordinary shares for such other purposes as allowed by the Act.



AND THAT the Directors of the Company be and are hereby authorised to take all such steps as necessary or expedient to implement, finalise or complete or to give full effect to the purchase(s) of the ordinary shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

By Order of the Board

ERIC TOH CHEE SEONG (SSM PC No. 202008002884) (MAICSA 7016178) JESSLYN ONG BEE FANG (SSM PC No. 202008002969) (MAICSA 7020672) Company Secretaries

Perak 30 April 2024

Notes:-

- 1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.my.
- 2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/ her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- 3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- 4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
- 6. The proxy form must be deposited at the Company's Share Registrar Office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
- 7. Only members registered in the Record of Depositors as at 13 June 2024 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/ or vote on his/ her behalf.

Explanatory Notes

Note A – Audited Financial Statements for the financial year ended 31 December 2023

This Agenda is meant for discussion only as the provision of Section 248(2) and 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Ordinary Resolution 1 - Payment of Directors' Fees

The proposed Ordinary Resolution 1, if passed, will authorise the payment of the Directors' fees of not exceeding RM300,000 for the financial year ending 31 December 2024.



Ordinary Resolution 2 - Payment of Directors' Benefits

The proposed Directors' Benefits payable comprises allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled meetings of the Board and Board Committees from the day after the 29th AGM until the next AGM of the Company.

Ordinary Resolution 3 to 4 - Re-election of Directors

The following Directors are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 29th AGM pursuant to the Constitution of the Company: -

- Dato' Haji Roshidi bin Haji Hashim pursuant to Clause 95 of the Constitution
- (ii) General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang pursuant to Clause 102 of the Constitution

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 3 and 4 are set out in the Board of Directors' profile of the 2023 Annual Report.

The Board has through the Nomination Committee, considered the assessment of the aforesaid Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

Both of them have also met the relevant requirements under the fit and proper assessment.

Ordinary Resolution 5 - Re-appointment of Auditors

The Audit & Risk Committee and the Board have considered the re-appointment of Messrs. UHY as Auditors of the Company and collectively agree that Messrs. UHY meets the criteria of the adequacy of experience and resources of the firm and the audit team assigned to the audit as prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

Ordinary Resolution 6 – Authority to Issue Shares Pursuant to Sections 75 and 76 of the Act

Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding ten per centum (10%) of the issued shares of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next AGM.

This renewed mandate will provide flexibility to the Company for the allotment of shares for any possible fundraising activities, including but not limited to the placing of shares, funding working capital, future expansion, investment and/or acquisition(s) as deemed necessary by the Directors, thereby reducing administrative time and cost associated with the convening of such meeting(s).

The waiver of pre-emptive rights will allow the Directors of the Company to issue new ordinary shares of the Company to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 28th AGM held on 28 June 2023 which will lapse at the conclusion of the 29th AGM.

Ordinary Resolution 7 - Proposed Renewal of Shareholders Mandate for Recurrent Related Party Transactions of a revenue or trading nature

The proposed Resolution 7, is a renewal of the previous year Shareholders' Mandate and if passed will allow the Company and its subsidiaries to enter into RRPT of a Revenue or Trading Nature in order to comply with Paragraph 10.09 of Chapter 10 and Practice Note 12 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The mandate will take effect from the date of the passing of the Ordinary Resolution until the next AGM of the Company.



Further information on the Proposed Renewal of Shareholders Mandate for RRPT of a Revenue and Trading Nature is set out in the Circular to Shareholders of the Company dated 30 April 2024 which is made available on the Company's website at www.gcapital.com.my or on Bursa Securities' website.

Ordinary Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 8, if passed will empower the Company to purchase its own ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company.

The details of the Proposed Renewal of Share Buy-Back Authority are set out in the Statement to Shareholders dated 30 April 2024.

PERSONAL DATA PRIVACY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as Director at the 29th AGM of the Company.

A Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate for the authority to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016 are set out in Explanatory Notes of the Notice of 29th Annual General Meeting.

G CAPITAL BERHAD 173
[Registration No.: 199501000977 (330171-P)]



ANALYSIS OF SHAREHOLDINGS

AS AT 16 APRIL 2024

Issued and fully paid-up capital : 325,224,971 Ordinary Shares

: Ordinary shares Class of shares

No. of Shareholders : 4,096

Voting Rights : One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

0:	No. of	0/	N	0/
Size of Shareholdings	Shareholders	<u></u>	No. of Shares	%
Less than 100	429	10.47	20,147	0.01
100 to 1,000	309	7.54	172,959	0.05
1,001 to 10,000	1,863	45.48	9,273,237	2.85
10,001 to 100,000	1,179	28.79	42,673,053	13.12
100,001 to less than				
5% of issued shares	314	7.67	234,436,875	72.09
5% and above of				
issued shares	2	0.05	38,648,700	11.88
Total	4,096	100.00	325,224,971	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS

(As per Record of Depositors)

No.	Name of Shareholders	No. of Shares	<u>%</u>
1.	BAN -SENG PACKAGING SDN BHD	19,422,700	5.97
2.	PERCETAKAAN SANWA INDUSTRIES SDN BHD	19,226,000	5.91
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITES ACCOUNT FOR YAP YEE PING	13,425,500	4.13
4.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO INTERNATIONAL PLC	10,000,000	3.07
5.	HENG YONG LAI	6,550,000	2.01
6.	LEE POH HIN	6,500,000	2.00
7.	CHOO WENG WAH	6,300,000	1.94
8.	LIN QIN MO	6,239,800	1.92
9.	HENG YONG LAI	6,100,000	1.88
10.	10. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN		1.81
11.	LEE LAI MING	5,607,300	1.72
12.	HASIL ANEKA SDN BHD	5,367,700	1.65
13.	MOHD FAIZ BIN MOKHTAR	4,703,900	1.45
14.	LEE YEE LONG	4,112,000	1.26
15.	APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN CHOW TEE	3,760,000	1.16
16.	YAN HOCK CHUAN	3,013,500	0.93
17.	KONG LEK CHAI @ KONG AH LIM	2,796,600	0.86

174 G CAPITAL BERHAD [Registration No.: 199501000977 (330171-P)]



ANALYSIS OF SHAREHOLDINGS

AS AT 16 APRIL 2024 (CONT'D)

18.	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	2,794,400	0.86
19.	SIEV KHAY	2,758,400	0.85
20.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMED AMIN BIN MAHMUD	2,543,300	0.78
21.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW EE MOUN	2,540,000	0.78
22	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA	2,444,600	0.75
23.	YAN HOCK CHUAN	2,225,200	0.68
24.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN THENG LIANG (M&A)	2,163,000	0.67
25.	KOAT KIONG HOCK	2,135,000	0.66
26.	CHAN SUET MEI	2,000,000	0.61
27.	TAN KAI HEE FAMILY HOLDINGS SDN BHD	2,000,000	0.61
28.	UNG ENG HUAT	2,000,000	0.61
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHAI HENG	1,878,600	0.58
30.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAN MOHAMMAD KHAIR-IL ANUAR (CCTS)	1,753,333	0.54

DIRECTORS' SHAREHOLDING AS AT 16 APRIL 2024

(As per Register of Directors' Shareholdings)

Name	Direct No. of Shares	%	Indirect No. of Shares	%
GENERAL (RETIRED) TAN SRI DATO SRI HAJI AFFENDI BIN BUANG	-	-	-	-
DATUK' YAP YEE PING	13,535,500	4.16	-	-
DATO' ROSLI BIN SHARIF	-	-	-	-
DATO' HAJI ROSHIDI BIN HAJI HASHIM	-	-	•	-
JASON FONG JIAN SHENG	-	-	-	-

SUBSTANTIAL SHAREHOLDERS AS AT 16 APRIL 2024

(As per Register of Substantial Shareholders)

Name	Direct No. of Shares	%	Indirect No. of Shares	%
LEE POH HIN	6,500,000	2.00	#38,648,700	11.88
LEE YEE LEONG	4,112,000	1.26	#38,648,700	11.88
PERCETAKAN SANWA INDUSTRIES SDN BHD	19,226,000	5.91	-	-
BAN-SENG PACKAGING SDN BHD	19,422,000	5.98	ı	-

Deemed interested by virtue of his shareholdings of more than 20% in Percetakan Sanwa Industries Sdn Bhd and Ban-Seng Packaging Sdn Bhd pursuant to section 8(4) of the companies Act, 2016.





	CDS account no.
	No. of shares held
PROXY FORM	
I/We*	No./ Registration No.*
of	
(full address) Email Address:Contact N	0
being a member/members* of G CAPITAL BERHAD, hereby appoir	nt
NRIC No./ Passport No.*	o be represented
Of	
(full address)	
Email Address:	
and/or* failing him/her*,NRIC N	No./ Passport No.*
No. of. share to be represented	of
(full address)	





You are required to fill in the contact no. and email address in order to participate the 29th Annual General Meeting ("29th AGM"), otherwise, we are unable to register you as the participant of the meeting.

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the 29th AGM of the Company or any adjournment thereof will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the Online Meeting Platform of Vote2U Online operated by Agmo Digital Solutions Sdn. Bhd. in Malaysia via the link at https://web.vote2u.my on Thursday, 27 June 2024 at 8.30 a.m. or any adjournment thereof.

	Resolutions	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees of not exceeding RM300,000 for the financial year ending 31 December 2024		
Ordinary Resolution 2	To approve the payment of Directors' benefits		
Ordinary Resolution 3	To re-elect Dato' Haji Roshidi bin Haji Hashim		
Ordinary Resolution 4	To re-elect General (Retired) Tan Sri Dato' Sri Haji Affendi bin Buang		
Ordinary Resolution 5	To re-appoint Messrs UHY as Auditors of the Company		
Ordinary Resolution 6	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 7	Proposed Renewal of Shareholders Mandate for Recurrent Related Party Transactions of a revenue or trading nature.		
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority		

Strike out whichever is not desired.

[Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific directions, your proxy may vote or abstain as he thinks fit.]

Signature or Cor Of Member/(s)	mmon Seal	
Dated this:	day of	2024

Notes:-

- Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM 1. using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.my.
- 2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/ her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- 3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- 4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
- 6. The proxy form must be deposited at Company's Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
- 7. Only members registered in the Record of Depositors as at 13 June 2024 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/ or vote on his/ her behalf.





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AFFIX STAMP

The Share Registrar of G Capital Berhad

[Registration No.: 199501000977 (330171-P)]

c/o Aldpro Corporate Services Sdn Bhd B-21-1, Level 21, Tower B Northpoint Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur Wilayah Persekutuan Malaysia

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G CAPITAL BERHAD [Registration No. 199501000977 (330171-P)]

Corporate Head Office D-5-10, Block D, Pusat Komersial Southgate, No. 2, Jalan Dua, off Jalan Chan Sow Lin, 55200, Kuala Lumpur.

Tel: +603-9226 1222 Fax: +603 -9226 0011

email: office@gcapital.com.my

www.gcapital.com.my

Registered office:-11B, Level 2, Greentown Business Centre, Persiaran Greentown 9, 30450 Ipoh, Perak Darul Ridzuan, Malaysia.

Tel: +605-253 8318 Fax: +605 -243 8318