



**GPP RESOURCES BERHAD**

(Registration No: 201801003761 (1265775-W))  
(Incorporated in Malaysia under the Companies Act 2016)

**SECOND HALF YEARLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD  
("BURSA SECURITIES" OR THE "EXCHANGE")**

**THE LEAP MARKET OF BURSA SECURITIES HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY GPP RESOURCES BERHAD ("GPP" OR "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

**GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 2020 <sup>(1)</sup>**

	Individual 6-months ended		Cumulative 12-months ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	33,357	10,881	40,424	21,801
Cost of sales	(30,895)	(9,867)	(37,674)	(17,810)
Gross profit ("GP")	2,462	1,014	2,750	3,991
Other income	415	326	826	528
Administrative expenses	(3,355)	(1,495)	(4,418)	(2,675)
Other expenses	(1,116)	(74)	(2,197)	(609)
(Loss) / Profit from operation	(1,594)	(229)	(3,039)	1,235
Finance costs	(594)	(417)	(1,135)	(723)
Share of results of an associated company	(25)	(20)	(2)	(25)
(Loss) / Profit before taxation	(2,213)	(666)	(4,176)	487
Income tax expenses	345 <sup>(2)</sup>	36 <sup>(3)</sup>	220 <sup>(2)</sup>	(84) <sup>(3)</sup>
(Loss) / Profit after taxation	<b>(1,868)</b>	<b>(630)</b>	<b>(3,956)</b>	<b>403</b>
Other comprehensive loss, net of tax Item that is or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(1)	-	(1)	-
Total comprehensive (loss) / income	<b>(1,869)</b>	<b>(630)</b>	<b>(3,957)</b>	<b>403</b>
(Loss) / Profit attributable to:				
- Owners of the Company	(1,867)	(630)	(3,955)	403
- Non-controlling interest	(1)	-	(1)	-
	<b>(1,868)</b>	<b>(630)</b>	<b>(3,956)</b>	<b>403</b>
Total comprehensive (loss) / income attributable to:				
- Owners of the Company	(1,868)	(630)	(3,956)	403
- Non-controlling interest	(1)	-	(1)	-
	<b>(1,869)</b>	<b>(630)</b>	<b>(3,957)</b>	<b>403</b>
(Loss) / Earnings per share (sen)				
- Basic	(1.20)	(0.64)	(2.55)	0.41

**Notes:**

- (1) *The basis of preparation of the unaudited condensed consolidated statements of profit or loss and other comprehensive income are detailed in Note A1 and should be read in conjunction with the audited financial statements of GPP and its subsidiaries ("Group") for the financial year ended ("FYE") 31 December 2019 ("Audited Financial Statements") and the accompanying explanatory notes attached to this financial report.*
- (2) *Includes reversal of overprovision of deferred tax for the previous year during the 6-months period ended 31 December 2020.*
- (3) *Includes reversal of overprovision of deferred tax for the previous year during the 6-months period ended 31 December 2019.*

**GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 <sup>(1)</sup>**

	Unaudited as at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Plant and equipment	19,633	13,706
Right-of-use assets	11,841	944
Intangible asset	9	23
Investment in an associated company	Neg	2
<b>Total non-current assets</b>	<b>31,483</b>	<b>14,675</b>
<b><u>Current assets</u></b>		
Inventories	6,207	3,472
Trade receivables	15,991	9,431
Contract assets	4,224	10,569
Other receivables, deposits and prepayments	3,895	5,272
Current tax assets	573	387
Deposits with licensed banks	4,750	4,137
Cash and bank balances	751	1,253
<b>Total current assets</b>	<b>36,391</b>	<b>34,521</b>
<b>TOTAL ASSETS</b>	<b>67,874</b>	<b>49,196</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	17,785	17,785
Reserves	(1,952)	2,002
Equity attributable to owners of the Company	15,833	19,787
Non-controlling interests	(1)	-
<b>Total equity</b>	<b>15,832</b>	<b>19,787</b>
<b><u>Non-current liabilities</u></b>		
Borrowings	6,188	2,305
Lease liabilities	11,113	276
Deferred tax liabilities	149	508
<b>Total non-current liabilities</b>	<b>17,450</b>	<b>3,089</b>
<b><u>Current liabilities</u></b>		
Trade payables	13,136	11,743
Contract liabilities	4,271	4,271
Other payables and accruals	4,638	2,997
Borrowings	11,641	6,761
Lease liabilities	906	548
Current tax liabilities	-	Neg
<b>Total current liabilities</b>	<b>34,592</b>	<b>26,320</b>
<b>Total liabilities</b>	<b>52,042</b>	<b>29,409</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,874</b>	<b>49,196</b>
Number of ordinary shares ("Shares") ('000)	155,118	155,118
Net assets per Share (RM) <sup>(2)</sup>	0.10	0.13

**Notes:**

Neg Amount is negligible as it is less than RM1,000.

(1) The basis of preparation of the unaudited condensed consolidated statements of financial position are detailed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.

(2) Computed based on net assets over number of Shares in issue for the respective financial years under review.

**GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 <sup>(1)</sup>**

	<u>&lt;----- Non-distributable -----&gt;</u>			<u>Distributable</u>				
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000	
<b>As at 1.1.2020</b>	17,785	(4,333)	-	6,335	19,787	-	19,787	
Loss for the financial year	-	-	-	(3,955)	(3,955)	(1)	(3,956)	
Incorporation of a subsidiary company <sup>(2)</sup>	-	-	-	-	-	Neg	Neg	
Foreign currency translation difference for foreign operations	-	-	1	-	1	-	1	
<b>As at 31.12.2020</b>	<b>17,785</b>	<b>(4,333)</b>	<b>1</b>	<b>2,380</b>	<b>15,833</b>	<b>(1)</b>	<b>15,832</b>	
<b>As at 1.1.2019</b>	9,619	-	-	5,986	15,605	-	15,605	
Adjustments on initial application of Malaysian Financial Reporting Standard ("MFRS") 16 – Leases ("MFRS 16"), net of tax	-	-	-	(53)	(53)	-	(53)	
<b>Restated balance as at 1.1.2019</b>	<b>9,619</b>	<b>-</b>	<b>-</b>	<b>5,933</b>	<b>15,552</b>	<b>-</b>	<b>15,552</b>	
<i>Transactions with owners:</i>								
Effect of merger of subsidiaries <sup>(3)</sup>	4,333	(4,333)	-	-	-	-	-	
Initial Public Offering <sup>(4)</sup>	4,368	-	-	-	4,368	-	4,368	
Share issuance expenses	(535)	-	-	-	(535)	-	(535)	
Net income for the financial year	-	-	-	403	403	-	403	
<b>As at 31.12.2019</b>	<b>17,785</b>	<b>(4,333)</b>	<b>-</b>	<b>6,335*</b>	<b>19,787*</b>	<b>-</b>	<b>19,787*</b>	

Notes:

\* Rounding adjustment.

Neg Amount is negligible as it is less than RM1,000.

(1) The basis of preparation of the unaudited condensed consolidated statements of changes in equity are detailed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.

**GPP RESOURCES BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 <sup>(1)</sup> (CONT'D)**

- (2) *Arising from incorporation of a 70%-owned subsidiary, Gambang Power Plant Sdn Bhd, by Green Energy Resources (M) Sdn Bhd (a wholly-owned subsidiary of the Company) ("**Green Energy**") on 18 August 2020.*
- (3) *Arising from issuance of new Shares in relation to the acquisitions of subsidiaries ("**Acquisitions**") (refer to Section 4.4(ii) of the Company's Information Memorandum dated 5 August 2019 ("**Information Memorandum**")).*
- (4) *Being proceeds raised from the listing of the Company on the LEAP Market of Bursa Securities.*

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**GPP RESOURCES BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 <sup>(1)</sup>**

	<b>12-months period ended</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash flows from operating activities</u></b>		
(Loss) / Profit before taxation	(4,176)	487
<i>Adjustments for:</i>		
Amortisation for intangible asset	14	17
Depreciation of plant and equipment	1,706	809
Depreciation of right-of-use asset	1,146	823
Gain on disposal of plant and equipment	(12)	(36)
Impairment losses on trade receivables	129	-
Impairment losses on other receivables	7	-
Interest / Financing expenses	1,135	723
Interest income	(112)	(126)
Other receivables and deposits written off	6	-
Plant and equipment written off	-	Neg
Reversal of impairment losses on trade receivables	(6)	(42)
Share of loss of equity-accounted associate	2	25
Unrealised gain on foreign exchange	-	(176)
Unrealised loss on foreign exchange	416	26
<i>Operating profit before changes in working capital</i>	<u>255</u>	<u>2,530</u>
Increase in inventories	(2,735)	(529)
(Increase) / Decrease in trade receivables	(6,734)	742
Decrease / (Increase) in contract assets	6,345	(4,649)
Decrease / (Increase) in other receivables, deposits and prepayments	1,364	(3,720)
Increase in trade payables	1,028	5,523
Decrease in contract liabilities	-	(424)
Increase in other payables and accruals	1,641	277
<i>Cash generated from / (used in) operations</i>	<u>1,164</u>	<u>(250)</u>
Interest / Financing paid	(1,135)	(723)
Tax paid	(325)	(595)
Tax refund	-	64
<b>Net cash used in operating activities</b>	<b><u>(296)</u></b>	<b><u>(1,504)</u></b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	112	126
Placement of deposits with licensed banks with maturity period of more than 3 months	Neg	Neg
Placement of pledged deposits	(613)	(1,320)
Proceeds from disposal of plant and equipment	467	127
Purchase of plant and equipment and right-of-use assets	(8,010)	(3,218)
<b>Net cash used in investing activities</b>	<b><u>(8,044)</u></b>	<b><u>(4,285)</u></b>
<b><u>Cash flows from financing activities</u></b>		
Drawdown from Islamic bank financing – Term financing-i	5,531	1,600
Drawdown of term loan	-	20
Proceeds from issuance of shares	-	3,833
Proceeds from Islamic bank financing – Trade financing-i	1,488	1,309
Repayment of Islamic bank financing – Term financing-i	(259)	(492)
Repayment of lease liabilities	(926)	(763)
Repayment of term loan	(4)	(2)
<b>Net cash from financing activities</b>	<b><u>5,830</u></b>	<b><u>5,505</u></b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 <sup>(1)</sup> (CONT'D)**

	12-months period ended	
	31.12.2020	31.12.2020
	RM'000	RM'000
<b>Net decrease in cash and cash equivalents</b>	<b>(2,510)</b>	<b>(284)</b>
Effect of exchange rate fluctuations on cash held	1	-
Cash and cash equivalents at the beginning of the financial year	(3,446)	(3,162)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>(5,955)</b>	<b>(3,446)</b>

*Notes:**Neg Amount is negligible as it is less than RM1,000.*

- (1) *The basis of preparation of the unaudited condensed consolidated statements of cash flows are detailed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.*

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## **GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2020**

#### **A1. Basis of preparation**

The unaudited interim financial statements of the Group have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and should read in conjunction with the Group's Audited Financial Statements and the accompanying explanatory notes attached to this interim financial report.

This is the interim financial report on the Company's consolidated results for the 6-months period ended 31 December 2020 in compliance with Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Securities ("LEAP LR").

#### **A2. Accounting policies**

The accounting policies and presentations adopted by the Group in this interim report are consistent with those adopted in the Group's Audited Financial Statements, except for the adoption of the following new accounting standards, amendments and interpretations which are mandatory:

For financial periods beginning on or after 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

For financial periods beginning on or after 1 June 2020:

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

For financial periods beginning on or after 17 August 2020:

- Amendments to MFRS 4, Insurance Contract – Extension of the Temporary Exemption from Applying MFRS 9
- Amendment to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

The adoption of the above new accounting standards, amendments and interpretations has no significant impact on the financial statements of the Group.

#### **A3. Seasonal or cyclical factors**

The Group does not experience any material seasonality in its business.

#### **A4. Unusual items due to their nature, size or incidence**

Save for the impact due to coronavirus 2019 ("COVID-19") pandemic on the overall economic and market environment and the enforcement of various types of movement control order by the Malaysian government throughout the reporting period, there were no unusual items affecting assets, liabilities, equity or cash flow of the Group during the current period under review.

#### **A5. Material changes in accounting estimates**

There were no material changes in accounting estimates during the current period under review.



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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2020 (CONT'D)****A6. Debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities of the Company for the current period under review.

**A7. Segmental information****(i) Analysis of revenue by business segment**

	Individual 6-months period ended				Cumulative 12-months period ended			
	31.12.2020		31.12.2019		31.12.2020		31.12.2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Renewable energy</b>								
Engineering, procurement, construction and commissioning ("EPCC")/ construction contracts	1,832	5.50	6,422	59.02	3,062	7.57	11,133	51.07
Service and maintenance contracts	3,180	9.53	956	8.79	3,978	9.84	2,218	10.17
Concession contracts	178	0.53	241	2.21	532	1.32	449	2.06
	<b>5,190</b>	<b>15.56</b>	<b>7,619</b>	<b>70.02</b>	<b>7,572</b>	<b>18.73</b>	<b>13,800</b>	<b>63.30</b>
<b>Oil palm trunk ("OPT") products</b>	4,684	14.04	3,262	29.98	7,039	17.41	8,001	36.70
<b>Palm Oil Business <sup>(1)</sup></b>	23,483	70.40	-	-	25,813	63.86	-	-
<b>Total</b>	<b>33,357</b>	<b>100.00</b>	<b>10,881</b>	<b>100.00</b>	<b>40,424</b>	<b>100.00</b>	<b>21,801</b>	<b>100.00</b>

Note:

(1) Refers to management of palm oil mill, processing and trading of palm-oil related products (e.g. crude palm oil, palm kernel and sludge palm oil). The Group, via GPP Sri Serudung Sdn Bhd (a wholly-owned subsidiary of the Company), ventured into this business segment in June 2020, i.e. upon the signing of long term leasing agreement with Borneo Samudera Sdn Bhd (as announced on 21 October 2019) and the receipt of licence from Malaysian Palm Oil Board on 21 May 2020.

**(ii) Analysis of revenue by geographical market**

	Individual 6-months period ended				Cumulative 12-months period ended			
	31.12.2020		31.12.2019		31.12.2020		31.12.2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>	31,457	94.30	10,541	96.88	37,715	93.30	18,613	85.38
<b>Overseas</b>								
Liberia	-	-	-	-	-	-	520	2.39
Japan	-	-	25	0.23	-	-	75	0.34
Singapore	1,900	5.70	315	2.89	2,540	6.28	2,593	11.89
Taiwan	-	-	-	-	169	0.42	-	-
<b>Total</b>	<b>33,357</b>	<b>100.00</b>	<b>10,881</b>	<b>100.00</b>	<b>40,424</b>	<b>100.00</b>	<b>21,801</b>	<b>100.00</b>

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**GPP RESOURCES BERHAD**

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2020 (CONT'D)****A8. Related party transactions**

The related party transactions other than transactions of a revenue nature in the ordinary course of business of the Group are as follows:

Transacting related parties	Nature of transactions	Transaction value for 12-months ended 31.12.2020
		RM
V&M Mixtec Asia Sdn Bhd (“V&M Mixtec”)	Rental received from V&M Mixtec for the sub-let of property located at H.S.(M) 5243 PTD 222198, Tempat Ban Foo, Mukim Plentong, Johor Bahru, Johor	31,500
	Utilities charges received from V&M Mixtec for the sub-let of property located at H.S.(M) 5243 PTD 222198, Tempat Ban Foo, Mukim Plentong, Johor Bahru, Johor	5,144
Profina Teknik Sabah Sdn Bhd (“PTSSB”)	Rental paid by GPP Seri Serudung Sdn Bhd to PTSSB for property located at 19959, Taman Resident 88, Jalan Bunga Raya, 91000 Tawau, Sabah.	12,000

**A9. Material events subsequent to the end of the reporting period**

There were no material events subsequent to the end of current reporting period up to the date of this report.

**A10. Changes in composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group for the current period under review:

- (i) Green Energy had on 18 August 2020 incorporated a 70%-owned subsidiary, Gambang Power Plant Sdn Bhd, as a private limited company under the Companies Act 2016 and with an issued share capital of RM100 comprising 100 ordinary shares. It has yet to commence operations and its intended business activity is to build, own and operate renewable energy power plant.

**A11. Contingent liabilities**

The Company has the following contingent liability as at 31 December 2020:

	<b>As at 31 December 2020</b>
	<b>RM'000</b>
Banker's guarantee issued as security deposit for a long-term leasing agreement	300
Banker's guarantee issued as performance guarantee of regional sewage treatment plant	66
<b>Total</b>	<b>366</b>

**A12. Capital commitments**

There is no material capital commitment as at 31 December 2020.

## **GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

### **B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LR**

#### **B1. Performance review**

##### 2H FYE 31 December 2020 vs 2H FYE 31 December 2019

The Group's revenue increased by RM22.48 million or approximately 206.56% during the 6-months period ended 31 December 2020 ("2H FY20") as compared to the corresponding period of previous year. Corresponding to the increase in revenue, the Group's GP increased by RM1.45 million or approximately 142.80% during the 2H FY20 as compared to corresponding period of previous year. The increase in the Group's revenue and GP are mainly due to the Group's new business venture into the Palm Oil Business in June 2020 which is partially offset by lower performance from renewable energy segment and OPT segment wherein the construction progress of EPCC projects and the demand for OPT products from property sector in Malaysia had been affected by the COVID-19 pandemic and various movement control orders imposed by the Malaysian government.

Despite the improvement to revenue and GP, the Group recorded a loss before taxation of RM2.21 million for 2H FY20 as compared to the corresponding period of previous year, mainly due to:

- increase in depreciation of right-of-use assets arising from the leasing of palm oil mill, equipment and machineries from Borneo Samudera Sdn Bhd;
- increase in unrealised loss on foreign exchange due to increased outstanding balance of trade receivables and trade payables in foreign currencies; and
- increase in finance cost as a result of increased utilisation of banking facilities for the Group's working capital.

#### **B2. Prospects**

Given the on-going COVID-19 pandemic and the uncertainties in global and domestic economic environment, any prolonged global spread of the pandemic and imposition of stricter movement control orders by the Malaysian government may have a material impact to the Group's business, cash flows and financial condition and results of operations. Hence, the Group will continuously monitor the impact of COVID-19 on the operations and financial performance and will remain agile and focus on streamlining its existing processes, continue with its strategies to expand the product range and markets for its renewable energy and OPT products segments, as well as expand its revenue base via the Group's Palm Oil Business segment.

As at 19 March 2021 (being the latest practicable date not earlier than 7 market days from the date of this report) ("LPD"), the total contract value secured by the Group's for EPCC projects under renewable energy segment is approximately RM46.89 million.

#### **B3. Variance of actual profit from profit forecast and profit guarantee**

The Company has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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**C. OTHER INFORMATION**

**C1. Status of corporate proposals**

There were no corporate proposals announced but pending completion as at the date of this report.

**C2. Utilisation of proceeds**

The status of utilisation of proceeds raised of RM4,368,000 from the issuance of 15,600,000 new Shares pursuant to an excluded issue to sophisticated investors at an issue price of RM0.28 each (“**Excluded Issue**”) as at the LPD, is as follows:

<b>Purpose</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilisation as at the LPD (RM'000)</b>	<b>Un-utilised proceeds (RM'000)</b>	<b>Estimated timeframe for utilisation upon listing</b>
Capital expenditure	1,000	-	1,000	Within 24 months <sup>(2)</sup>
Research and development	500	-	500	Within 24 months <sup>(2)</sup>
Working capital	1,318	1,355	-(1)	Within 12 months
Estimated listing expenses	1,550	1,513	-(1)	Within 2 weeks
<b>Total</b>	<b>4,368</b>	<b>2,868</b>	<b>1,500</b>	

Notes:

- (1) The surplus amount to defray listing expenses was reallocated to the amount earmarked for the working capital of the Group.
- (2) The Company had on 2 October 2020 announced to extend the timeframe for the utilisation of proceeds raised from the Excluded Issue from 12 months to 24 months from the date of listing on the LEAP Market of Bursa Securities on 4 October 2019.

**C3. Borrowings**

The Group’s total borrowings (all denominated in RM) are as follows:

	(Unaudited) As at 31.12.2020 RM'000	(Audited) As at 31.12.2019 RM'000
<b><u>Current liabilities</u></b>		
<b>Secured</b>		
Bank overdraft	1,300	1,299
Cash line financing-i	5,407	3,401
Islamic bank financing – Term financing-i	2,132	747
Islamic bank financing – Trade financing-i	2,797	1,309
Term loan	5	5
<b>Total</b>	<b>11,641</b>	<b>6,761</b>
<b><u>Non-current liabilities</u></b>		
<b>Secured</b>		
Islamic bank financing – Term financing-i	6,180	2,293
Term loan	8	12
<b>Total</b>	<b>6,188</b>	<b>2,305</b>

As at the reporting date, the Company has not issued any debt securities.

**C. OTHER INFORMATION (CONT'D)**

**C4. Material Litigation**

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

**C5. Dividend**

The Board of Directors does not recommend any dividend as at the date of this interim report.

**C6. (Loss) / Earnings per Share**

	Individual 6-months period ended		Cumulative 12-months period ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
(Loss) / Profit attributable to owners of the Company	(1,867)	(630)	(3,955)	403
Weighted average number of Shares ('000)	155,118	98,124	155,118	98,124
Basic (loss) / earnings per Share (sen)	(1.20)	(0.64)	(2.55)	0.41

The weighted average number of Shares in issue is computed as follows:

	Individual 6-months period ended		Cumulative 12-months period ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
At beginning of the period / year	151,057,898	9,618,695	98,124,108	8,865,033
Shares issued pursuant to:				
- Issuance of shares of a subsidiary <sup>(1)</sup>	-	-	-	753,662
- Effect of merger of subsidiaries <sup>(2)</sup>	-	84,701,577	45,197,900	84,701,577
- Issuance of Shares pursuant to an Excluded Issue	4,060,274	3,803,836	11,796,164	3,803,836
	155,118,172	98,124,108	155,118,172	98,124,108

*Notes:*

(1) Issuance of 1,608,693 new ordinary shares in Profina Plywood Sdn Bhd (a wholly-owned subsidiary of the Company) ("PPSB") pursuant to Profina Capitalisation (as set out in Section 4.4(i) of the Company's Information Memorandum).

(2) Issuance of new Shares pursuant to the acquisitions of subsidiaries (as set out in Section 4.4(ii) of the Company's Information Memorandum).

Diluted (loss) / earnings per Share is the same as the basic (loss) / earnings per Share as the Company has not issued any potential dilutive instruments.

**C7. Forestry licence for OPT plywood manufacturing business**

As at the date of this interim report, PPSB has yet to receive approval for the transfer of forestry licence for its OPT plywood manufacturing business at plywood mill located at Lot 8028, Batu 4, Jalan Mengkibol, 86000 Kluang, Johor.

**GPP RESOURCES BERHAD**

(Registration No. 201801003761 (1265775-W))

**C. OTHER INFORMATION (CONT'D)**

**C8. Others**

As disclosed in the Company's Information Memorandum, an amount of RM1,096,264 owing to Profina (M) Sdn Bhd as at 12 July 2019 (being the latest practicable date prior to the date of the Company's Information Memorandum) ("**Amount Owed**") shall be repayable by PPSB over a 12-months' period after the listing of the Company on the LEAP Market of Bursa Securities. To preserve cash flow for the Group's operations in light of uncertainties brought by the COVID-19 pandemic, PPSB had settled RM681,061 as at the LPD and endeavours to fully settle the remaining of Amount Owed in financial year ending 31 December 2021.

This report is dated 23 March 2021.