



GPP RESOURCES BERHAD

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

**HALF YEARLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 30 JUNE 2023**

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

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 FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 ⁽¹⁾

	(Unaudited)		(Unaudited)	(Audited)
	Individual		Cumulative	Cumulative
	6-months ended		18-months ended	12-months ended
	30.6.2023	30.6.2022	30.6.2023	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	25,785	43,335	103,678	77,329
Cost of sales	(32,760)	(45,118)	(113,799)	(78,011)
Gross (loss) ("GL") / profit	(6,975)	(1,783)	(10,121)	(682)
Other income	1,980	424	2,310	686
Administrative expenses	(552)	(1,814)	(4,937)	(3,778)
Other expenses	(742)	(1,019)	(2,452)	(2,985)
Loss from operations	(6,289)	(4,192)	(15,200)	(6,759)
Finance costs	(661)	(910)	(2,428)	(1,490)
Share of results of an associated company	1	(1)	-	1
Loss before taxation	(6,949)	(5,103)	(17,628)	(8,248)
Income tax expenses	76	Neg	76	(24)
Loss after taxation	(6,873)	(5,103)	(17,552)	(8,272)
Other comprehensive income, net of tax				
Item that is or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	1	Neg	Neg	7
Total comprehensive loss	(6,872)	(5,103)	(17,552)	(8,265)
Loss attributable to:				
- Owners of the Company	(6,872)	(5,102)	(17,547)	(8,269)
- Non-controlling interests	(1)	(1)	(5)	(3)
	(6,873)	(5,103)	(17,552)	(8,272)
Total comprehensive loss attributable to:				
- Owners of the Company	(6,871)	(5,102)	(17,547)	(8,262)
- Non-controlling interests	(1)	(1)	(5)	(3)
	(6,872)	(5,103)	(17,552)	(8,265)
Loss per share (sen)				
- Basic	(4.43)	(3.29)	(11.31)	(5.33)

Notes:

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

- (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 2021 ("Audited Financial Statements") and the accompanying explanatory notes attached to this interim financial report.

The Group has changed its financial year end from 31 December to 30 June. The next audited financial statements of the Group will be covering a period of 18 months ended 30 June 2023.

Consequently, the comparative figures stated in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the accompanying explanatory notes are based on the Audited Financial Statements for the FYE 31 December 2021, and are therefore not comparable.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 ⁽¹⁾

	Unaudited as at 30.6.2023 RM'000	Audited as at 31.12.2021 RM'000
ASSETS		
<u>Non-current assets</u>		
Plant and equipment	15,710	19,288
Right-of-use assets	9,338	11,410
Intangible asset	Neg	Neg
Investment in associated companies	13	14
Other investment	1	-
Total non-current assets	25,062	30,712
<u>Current assets</u>		
Inventories	2,457	6,508
Trade receivables	3,655	5,924
Contract assets	5,123	6,415
Other receivables, deposits and prepayments	2,886	1,621
Current tax assets	872	783
Deposits with licensed banks	6,213	5,208
Cash and bank balances	282	521
Total current assets	21,488	26,980
TOTAL ASSETS	46,550	57,692
EQUITY AND LIABILITIES		
Share capital	17,785	17,785
Reserves	(27,700)	(10,152)
Equity attributable to owners of the Company	(9,915)	7,633
Non-controlling interests	15	20
Total equity	(9,900)	7,653
<u>Non-current liabilities</u>		
Borrowings	6,035	8,212
Lease liabilities	9,543	11,018
Deferred tax liabilities	-	76
Total non-current liabilities	15,578	19,306
<u>Current liabilities</u>		
Trade payables	9,740	8,773
Contract liabilities	2,403	223
Other payables and accruals	16,427	9,654
Borrowings	11,578	11,167
Lease liabilities	724	916
Current tax liabilities	-	Neg
Total current liabilities	40,872	30,733
Total liabilities	56,450	50,039
TOTAL EQUITY AND LIABILITIES	46,550	57,692
Number of ordinary shares ("Shares") ('000)	155,118	155,118
Net assets per Share (RM) ⁽²⁾	(0.06)	0.05

*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 period / year under review.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 ⁽¹⁾

	<u><----- Non-distributable -----></u>			<u>Distributable</u>	<u>Equity</u>	<u>Non-</u>	<u>Total</u>
	<u>Share</u>	<u>Merger</u>	<u>Foreign</u>	<u>Retained</u>	<u>attributable to</u>	<u>controlling</u>	<u>equity</u>
	<u>capital</u>	<u>reserve</u>	<u>currency</u>	<u>profits /</u>	<u>owners of the</u>	<u>interests</u>	<u>RM'000</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>translation</u>	<u>(Accumulated</u>	<u>Company</u>	<u>RM'000</u>	<u>RM'000</u>
			<u>reserve</u>	<u>losses)</u>			
			<u>RM'000</u>	<u>RM'000</u>			
<u>Financial Period 18-months ended 30 June 2023 (Unaudited)</u>							
As at 1.1.2022	17,785	(4,333)	8	(5,827)	7,633	20	7,653
Total loss for the financial period	-	-	-	(17,547)	(17,547)	(5)	(17,552)
Foreign currency translation difference for foreign operations	-	-	(1)	-	(1)	-	(1)
As at 30.6.2023	17,785	(4,333)	7	(23,374)	(9,915)	15	(9,900)
<u>Financial Year 12-months ended 31 December 2021 (Audited)</u>							
As at 1.1.2021	17,785	(4,333)	2	2,441	15,895	(1)	15,894
Total loss for the financial year	-	-	-	(8,269)	(8,269)	(3)	(8,272)
Issue of new shares in a subsidiary company	-	-	-	-	-	25	25
Dilution of ownership interests in a subsidiary company	-	-	-	1	1	(1)	-
Foreign currency translation difference for foreign operations	-	-	6	-	6	-	6
As at 31.12.2021	17,785	(4,333)	8	(5,827)	7,633	20	7,653

Notes:

(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.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 ⁽¹⁾

	(Unaudited) Cumulative 18-months ended 30.6.2023 RM'000	(Audited) Cumulative 12-months ended 31.12.2021 RM'000
<u>Cash flows from operating activities</u>		
Loss before taxation	(17,628)	(8,248)
<i>Adjustments for:</i>		
Amortisation for intangible asset	-	9
Depreciation of plant and equipment	3,528	2,270
Depreciation of right-of-use assets	1,748	1,277
Gain on disposal of plant and equipment	(390)	-
Gain on lease modification	(31)	-
Impairment losses on trade receivables	208	1,167
Impairment losses on other receivables	69	-
Interest / Financing expenses	2,428	1,490
Interest income	(162)	(84)
Investment in an associated company written off	20	-
Other receivables and deposits written off	-	231
Plant and equipment written off	199	3
Share of loss of equity-accounted associated company	-	(1)
Unrealised gain on foreign exchange	(64)	(321)
Unrealised loss on foreign exchange	-	76
<i>Operating loss before working capital changes</i>	<i>(10,075)</i>	<i>(2,131)</i>
Decrease in inventories	4,051	168
Decrease in trade receivables	2,161	8,937
Decrease / (Increase) in contract assets	1,292	(2,191)
(Increase) / Decrease in other receivables, deposits and prepayments	(1,334)	2,047
Increase / (Decrease) in trade payables	931	(4,146)
Increase / (Decrease) in contract liabilities	2,180	(4,048)
Increase in other payables and accruals	6,773	5,016
<i>Cash generated from operations</i>	<i>5,979</i>	<i>3,652</i>
Interest / Financing paid	(2,428)	(1,490)
Tax paid	(100)	(248)
Tax refund	11	-
Net cash from operating activities	3,462	1,914
<u>Cash flows from investing activities</u>		
Acquisition of associated companies	(20)	(13)
Interest received	162	84
Placement of pledged deposits	(1,005)	(459)
Proceeds from disposal of plant and equipment	1,536	-
Purchase of plant and equipment and right-of-use assets	(1,112)	(2,403)
Net cash used in investing activities	(439)	(2,791)
<u>Cash flows from financing activities</u>		
Drawdown from Islamic bank financing – Term financing-i	-	1,566
Drawdown of term loan	-	505
Issue of shares to non-controlling interests	-	25
Repayment of Islamic bank financing – Trade financing-i	(448)	(368)
Repayment of Islamic bank financing – Term financing-i	(1,862)	(646)
Repayment of lease liabilities	(1,495)	(923)
Repayment of term loan	(86)	(6)
Net cash (used in) / from financing activities	(3,891)	153

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 ⁽¹⁾ (CONT'D)

	(Unaudited) Cumulative 18-months ended	(Audited) Cumulative 12-months ended
	30.6.2023	31.12.2021
	RM'000	RM'000
Net decrease in cash and cash equivalents	(868)	(724)
Effect of exchange rate fluctuations on cash held	(1)	6
Cash and cash equivalents at the beginning of the period	(6,674)	(5,956)
Cash and cash equivalents at the end of the period	(7,543)	(6,674)

Note:

(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.*

The Group has changed its financial year end from 31 December to 30 June. The next audited financial statements of the Group will be covering a period of 18 months ended 30 June 2023.

Consequently, the comparative figures stated in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the accompanying explanatory notes are based on the Audited Financial Statements for the FYE 31 December 2021, and are therefore not comparable.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023

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 financial period 18-months ended 30 June 2023 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 financial 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 2022:

- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 1, First Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 101, Presentation of Financial Instruments – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116, Property, Plant and Equipment – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)

For financial periods beginning on or after 1 January 2023:

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 (CONT'D)

A3. Change of Financial Year End

The Board of Directors of the Company (**'Board'**) has approved the change in the financial year end of the Company from 31 December to 30 June to allow the Company to have a better planning of its financial reporting resources. All the subsidiaries of the Company will adopt the change accordingly. As a result, the next set of audited financial statements shall be made up from 1 January 2022 to 30 June 2023 covering a financial period of 18 months.

A4. Change of External Auditors

As announced on 3 April 2023, The Board has approved the resignation of the existing External Auditors of the Company, Messrs. Kreston John & Gan ("**KJG**"), reason being due to staff resources limitation to provide the audit services.

Following on KJG resignation above, the Company has announced on 22 June 2023 that Messrs. Moore Stephens Associates PLT as the new External Auditors of the Company for the 18-months financial period ended 30 June 2023.

A5. Seasonal or cyclical factors

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

A6. Unusual items due to their nature, size or incidence

Except for the financial impact of the reclassification of the investment in Acropower Pte. Ltd. from investment in an associated company to other investment, there were no unusual items affecting assets, liabilities, equity or cash flow of the Group during the current period under review.

A7. Material changes in accounting estimates

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

A8. Debt and equity securities

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

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 (CONT'D)**A9. Segmental information****(i) Analysis of revenue by business segment**

	Individual 6-months period ended				Cumulative 18-months period ended			
	30.6.2023		30.6.2022		30.6.2023		30.6.2022 ⁽¹⁾	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Renewable energy								
Engineering, procurement, construction and commissioning ("EPCC")/ construction contracts	598	2.32	3,541	8.17	6,986	6.74	8,774	7.27
Service and maintenance contracts	685	2.66	685	1.58	2,407	2.32	2,372	1.97
Concession contracts	-	-	164	0.38	219	0.21	557	0.46
	1,283	4.98	4,390	10.13	9,612	9.27	11,703	9.70
Oil palm trunk ("OPT") products	112	0.43	2,332	5.38	3,806	3.67	7,403	6.13
Palm Oil Business	24,390	94.59	36,613	84.49	90,260	87.06	101,558	84.17
Total	25,785	100.00	43,335	100.00	103,678	100.00	120,664	100.00

(ii) Analysis of revenue by geographical market

	Individual 6-months period ended				Cumulative 18-months period ended			
	30.6.2023		30.6.2022		30.6.2023		30.6.2022 ⁽¹⁾	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	25,727	99.78	43,206	99.70	103,167	99.51	120,063	99.50
Overseas								
China	43	0.17	-	-	310	0.30	432	0.36
Japan	15	0.05	-	-	15	0.01	40	0.03
Thailand	-	-	129	0.30	186	0.18	129	0.11
Total	25,785	100.00	43,335	100.00	103,678	100.00	120,664	100.00

Note:

(1) Represents pro-forma financial period 18-months ended 30 June 2022 (i.e. covering a period from 1 January 2021 to 30 June 2022).

The Group has changed its financial year end from 31 December to 30 June. The next audited financial statements of the Group will be covering a period of 18 months ended 30 June 2023.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD 18-MONTHS ENDED 30 JUNE 2023 (CONT'D)**A10. 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 18-months ended 30.6.2023
		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	54,000
	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	7,588
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.	22,500

A11. Material events subsequent to the end of the reporting period

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

A12. Changes in composition of the Group

There were no changes in the composition of the Group for the current period under review.

A13. Contingent liabilities

The Company has the following contingent liability as at 30 June 2023:

	As at 30 June 2023
	RM'000
Banker’s guarantee issued as security deposit for a long-term leasing agreement	300

A14. Capital commitments

There were no material capital commitments as at 30 June 2023.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LR

B1. Performance review

Financial Period 18-Months Ended 30 June 2023 vs Pro-Forma Financial Period 18-Months Ended 30 June 2022

The Group's revenue decreased by RM16.99 million or approximately 14.08% during the financial period 18-months ended 30 June 2023 ("FPE23") as compared to the corresponding pro-forma financial period 18-months ended 30 June 2022 ("FPE22").

The Group recorded GL of RM10.12 million for FPE23, mainly due to lower production and unfavorable purchase price of raw materials which led to higher production cost for the Group's Palm Oil Business and OPT products segment. For FPE23, there were lower market demand for the OPT products and lesser EPCC projects secured, and the prolonged periods of rainy days during this period had affected the production of the Group's Palm Oil Business.

Corresponding to the GL recorded, the Group recorded a loss before taxation of RM17.63 million for FPE23 as compared to the FPE22, mainly due to:

- the Group recorded a higher GL for FPE23;
- decrease in unrealised foreign exchange gain;
- increase in administrative expenses for the Group's Palm Oil Business;
- increase in depreciation of right-of-use assets as a result of lease remeasurement and modification;
- increase in impairment losses on trade receivables and other receivables;
- recorded a written off of plant and equipment; and
- increase in finance cost as a result of increased utilisation of banking facilities for the Group's working capital.

B2. Prospects

The soft demand for OPT products, volatility in prices of fresh fruit bunches and change of weather condition had affected the Group's financial performance, resulting with GL position for FPE23 and a net liability position as at 30 June 2023. The Group is taking the following measures to improve its financial performance and condition:

- (i) the Company is in the midst of sourcing for investors for the private placement exercise as set out in section C1 below. The proceeds to be raised will provide the necessary funding for the Group's various business segments and the new shares issuance will improve the financial position of the Group;
- (ii) both Green Energy Resources (M) Sdn. Bhd. ("Green Energy") and Gambang Power Plant Sdn. Bhd. ("Gambang") are registered as renewable energy power producers under the Feed-in Tariff ("FiT") mechanism introduced by the Sustainable Energy Development Authority, which allows Green Energy and Gambang to sell electricity generated from renewable energy sources at identified location to National Grid at pre-determined rates over a period of time.

Green Energy has secured a FiT contract for a mill located in Banting, Selangor for selling electricity to the National Grid for a period of 21 years commencing 11 May 2025. Meanwhile, Gambang has also secured a FiT contract for a mill located in Temerloh, Pahang for selling electricity to the National Grid for a period of 21 years commencing 6 December 2025.

The Group had, via Green Energy and Gambang, stepped-up its efforts to tender for more FiT contracts in year 2023.

As at the date of this report, the Group had secured EPCC contracts worth RM22.10 million in aggregate. These secured EPCC contracts are expected to contribute positively to the Group's earnings over the next two to three financial years, barring any unforeseen circumstances;

- (iii) the Group will, from time to time, upgrade the processing facilities at the palm oil mill to improve production efficiency and oil extraction for its Palm Oil Business. The Group is also actively sourcing for more good quality fresh fruit bunches to improve oil extraction at the mill;

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LR (CONT'D)

B2. Prospects (Cont'd)

- (iv) the Group plans to diversify its product range (e.g. door core) and export markets for OPT product segment.
- (v) the Group will review its capital structure to determine a healthy cost of capital for the Group's operations.

The Group is cautiously optimistic on its prospects for 12-months financial year ending 30 June 2024.

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

On 18 August 2022, TA Securities Holdings Berhad had, on behalf of the Board of Directors of the Company (“Board”), announced that the Company proposes to undertake a private placement of up to 46,535,400 new ordinary shares in the Company (“Shares”), representing up to 30% of Shares in issue (excluding treasury shares, if any) (“Proposed Private Placement”). Subsequently, Bursa Securities had, vide its letter dated 13 October 2022, noted that up to 46,535,400 new Shares arising from the Proposed Private Placement will be listed and quoted on the LEAP Market of Bursa Securities in multiple tranches in the 4th quarter of calendar year 2022 and in 1st quarter of calendar year 2023. As at the date of this report, no Shares had been issued under the Proposed Private Placement.

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:

Purpose	Proposed utilisation (RM'000)	Actual utilisation as at the LPD (RM'000)	Un-utilised proceeds as at the LPD (RM'000)	Estimated timeframe for utilisation
Capital expenditure	640 ⁽¹⁾	182	458	Within 48 months upon listing on the LEAP Market of Bursa Securities on 4 October 2019 ⁽¹⁾
Working capital	2,215 ⁽¹⁾	2,215	-	
Listing expenses	1,513	1,513	- ⁽¹⁾	
Total	4,368	3,910	458	

Note:

(1) The Company had, on 1 October 2021, announced to vary the utilisation of the listing proceeds, whereby part of the listing proceeds (which was initially earmarked for capital expenditure as well as research and development purposes) were re-allocated as working capital for the Palm Oil Business for purchase of FFB for milling activities to produce palm-oil related products; as well as to extend the timeframe for utilisation of listing proceeds for capital expenditure purpose. Refer to such announcement for further details.

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C. OTHER INFORMATION (CONT'D)

C3. Borrowings

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

	(Unaudited) As at 30.6.2023 RM'000	(Audited) As at 31.12.2021 RM'000
<u>Non-current liabilities</u>		
Secured		
Islamic bank financing – Term financing-i	5,653	7,738
Term loan	382	474
Total	6,035	8,212
<u>Current liabilities</u>		
Secured		
Bank overdraft	1,223	1,259
Cash line financing-i	6,602	5,936
Islamic bank financing – Term financing-i	1,716	1,493
Islamic bank financing – Trade financing-i	1,993	2,441
Term loan	44	38
Total	11,578	11,167

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

C4. Material litigation

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

C5. Dividend

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

C6. Loss per Share

	Individual 6-months period ended 30.6.2023 RM'000	Individual 6-months period ended 30.6.2022 RM'000	Cumulative 18-months period ended 30.6.2023 RM'000	Cumulative 12-months period ended 31.12.2021 RM'000
Loss attributable to owners of the Company	(6,872)	(5,102)	(17,547)	(8,269)
Weighted average number of Shares ('000)	155,118	155,118	155,118	155,118
Basic loss per Share (sen)	(4.43)	(3.29)	(11.31)	(5.33)

The diluted loss per Share is the same as the basic loss per Share as the Company has not issued any potential dilutive instruments.

This report is dated 30 August 2023.