



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 YEAR ENDED 30 JUNE 2024**

**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))

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The figures have not been audited

	6 months ended		Period-to-date ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	7,386	25,785	14,059	103,678
Cost of sales	(8,073)	(31,971)	(13,399)	(113,010)
Gross (loss) / profit ("GL / GP")	(687)	(6,186)	660	(9,332)
Other income	1,600	2,011	1,862	2,341
Administrative expenses	(4,288)	(1,728)	(6,353)	(7,823)
Loss from operations	(3,375)	(5,903)	(3,831)	(14,814)
Finance costs	(546)	(887)	(1,214)	(2,654)
Share of results of associate	(3)	(6)	(5)	(7)
Loss before tax	(3,924)	(6,796)	(5,050)	(17,475)
Taxation	-	76	-	76
Loss after tax from continuing operations	(3,924)	(6,720)	(5,050)	(17,399)
Loss after tax from discontinued operation *	(2,807)	-	(3,934)	-
Loss for the financial year / period	(6,731)	(6,720)	(8,984)	(17,399)

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)
- Net change in fair value of other investment at fair value through other comprehensive income	-	(42)	-	(43)
Total comprehensive loss	(6,731)	(6,762)	(8,984)	(17,443)

Loss for the financial year / period attributable to:

Owners of the parent

- from continuing operations	(3,921)	(6,719)	(5,045)	(17,394)
- from discontinued operation	(2,807)	-	(3,934)	-
	(6,728)	(6,719)	(8,979)	(17,394)
Non-controlling interests	(3)	(1)	(5)	(5)
	(6,731)	(6,720)	(8,984)	(17,399)

Owners of the parent

- from continuing operations	(3,921)	(6,761)	(5,045)	(17,438)
- from discontinued operations	(2,807)	-	(3,934)	-
	(6,728)	(6,761)	(8,979)	(17,438)
Non-controlling interests	(3)	(1)	(5)	(5)
	(6,731)	(6,762)	(8,984)	(17,443)

Basic loss per share (sen)	(2.53)	(4.33)	(3.25)	(11.21)
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* The Company had ceased its palm oil business on April 2024. Accordingly, the financial results of the palm oil business operation is separately disclosed as a discontinued operation.

The consolidated income statement should be read in conjunction with the audited financial statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

The figures have not been audited

	Unaudited As at 30.06.2024 RM'000	Audited As at 30.06.2023 RM'000
Non-current assets		
Plant and equipment	7,311	15,710
Right-of-use assets	266	9,338
Intangible assets	Neg	Neg
Investments in associates	-	5
Other investment	Neg	520
	<u>7,577</u>	<u>25,573</u>
Current assets		
Inventories	2,534	2,526
Trade and other receivables	5,920	5,619
Contract assets	1,427	5,437
Current tax assets	578	871
Cash and short-term deposits	6,985	6,495
	<u>17,444</u>	<u>20,948</u>
TOTAL ASSETS	<u>25,021</u>	<u>46,521</u>

Note:

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

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(Registration No. 201801003761 (1265775-W))

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

The figures have not been audited

	Unaudited As at 30.06.2024 RM'000	Audited As at 30.06.2023 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	17,785	17,785
Merger reserve	(4,333)	(4,333)
Other reserves	7	(35)
Accumulated losses	(32,242)	(23,221)
	<u>(18,783)</u>	<u>(9,804)</u>
Non-controlling interests	9	14
TOTAL EQUITY	<u>(18,774)</u>	<u>(9,790)</u>
Non-current liabilities		
Borrowings	4,761	5,931
Lease liabilities	98	9,543
	<u>4,859</u>	<u>15,474</u>
Current liabilities		
Trade and other payables	23,888	25,795
Contract liabilities	2,235	2,267
Amount due to director	426	542
Borrowings	12,135	11,509
Lease liabilities	252	724
	<u>38,936</u>	<u>40,837</u>
TOTAL LIABILITIES	<u>43,795</u>	<u>56,311</u>
TOTAL EQUITY AND LIABILITIES	<u>25,021</u>	<u>46,521</u>
Net assets per share attributable to ordinary owners of the parent (RM)	(0.12)	(0.06)

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

GPP RESOURCES BERHAD

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*The figures have not been audited*

	←——— Attributable to owners of the parent ———→							Non-controlling interests	Total equity
	←——— Non-Distributable ———→			Distributable					
	Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Exchange Translation reserve RM'000	Accumulated losses RM'000	Total RM'000	RM'000	RM'000	
At 1 July 2023	17,785	(4,333)	(42)	7	(23,221)	(9,804)	14	(9,790)	
Total comprehensive loss for the financial year	-	-	-	-	(8,979)	(8,979)	(5)	(8,984)	
Transfer of fair value reserve to retained profits	-	-	42	-	(42)	-	-	-	
As At 30 June 2024	<u>17,785</u>	<u>(4,333)</u>	<u>-</u>	<u>7</u>	<u>(32,242)</u>	<u>(18,783)</u>	<u>9</u>	<u>(18,774)</u>	
At 1 July 2022	17,785	(4,333)	-	7	(5,827)	7,632	19	7,651	
Total comprehensive loss for the financial period	-	-	-	-	(17,394)	(17,394)	(5)	(17,399)	
Fair value gain on initial recognition of financial assets designated at fair value through other comprehensive income	-	-	(42)	-	-	(42)	-	(42)	
As At 30 June 2023	<u>17,785</u>	<u>(4,333)</u>	<u>(42)</u>	<u>7</u>	<u>(23,221)</u>	<u>(9,804)</u>	<u>14</u>	<u>(9,790)</u>	

The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

CONSOLIDATED STATEMENT OF CASH FLOWS

The figures have not been audited

	Period-to-date ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(8,984)	(17,475)
Adjustments for:		
(Reversal) / Provision of impairment on trade and other receivables	(154)	749
Depreciation of property, plant and equipment	2,056	3,528
Depreciation of right-of-use assets	1,004	1,706
Fair value gain on initial recognition of financial assets designated at fair value through other comprehensive income	-	(561)
Gain on disposal of plant and equipment	(34)	(390)
Gain on lease modification	(1,127)	(222)
Impairment loss on inventories	-	157
Impairment loss on plant and equipment	6,360	-
Interest expense	1,214	2,654
Interest income	(166)	(162)
Investment in associate written off	-	20
Plant and equipment written off	-	199
Share of results of associate	5	7
Unrealised gain on foreign exchange	49	(64)
Waiver of debt	-	(142)
Operating profit / (loss) before working capital changes	<u>743</u>	<u>(9,996)</u>
Working capital changes:		
Inventories	(8)	3,824
Trade and other receivables	(262)	1,355
Contract assets	4,010	978
Trade and other payables	(1,840)	7,394
Contract liabilities	(32)	2,044
Interest paid	(1,214)	(2,653)
Tax refund	323	11
Tax paid	(30)	(100)
Net cash flows used in operating activities	<u>(921)</u>	<u>(2,742)</u>

GPP RESOURCES BERHAD

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CONSOLIDATED STATEMENT OF CASH FLOWS

The figures have not been audited

	Period-to-date ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(106)	(1,111)
Additions in investment of associate	-	(20)
Interest received	166	-
Proceeds from disposal of plant and equipment	123	1,536
Net cash flows generated from investing activities	<u>183</u>	<u>405</u>
Cash flows from financing activities		
(Repayment to) / Advance from director	(116)	542
Placement of pledged deposits	(82)	(842)
Proceeds / (Repayment) of banker acceptance	1,099	(448)
Repayment of bank borrowings	(1,560)	(2,122)
Repayment of principal portion of lease liabilities	(722)	(1,263)
Net cash flow used in financing activities	<u>(1,381)</u>	<u>(4,133)</u>
Net decrease in cash and cash equivalents	(2,119)	(6,470)
Cash and cash equivalents at beginning of the financial year	(13,144)	(6,674)
Cash and cash equivalents at end of the financial year	<u>(15,263)</u>	<u>(13,144)</u>

The consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**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-month period ended 30 June 2024 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:

Effective for financial periods beginning on or after 1 January 2023:

Amendments to MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above is not expected to have significant impact on the financial statements to 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

There were no unusual items affecting assets, liabilities, equity or cash flow of the Group during the current financial year under review.

A5. Material changes in accounting estimates

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

A6. 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 financial year under review.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

A7. Segmental reporting

(i) Analysis of revenue by business segment

	Individual 6-month period ended				Cumulative 12-month period ended		Cumulative 18-month period ended	
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Renewable energy								
Construction contracts	2,200	29.8	598	2.32	6,746	47.98	6,986	6.74
Service and maintenance	5,152	69.8	685	2.66	7,237	51.48	2,407	2.32
Concession contracts	-	-	-	-	-	-	219	0.21
	<u>7,352</u>	<u>99.5</u>	<u>1,283</u>	<u>4.98</u>	<u>13,983</u>	<u>99.46</u>	<u>9,612</u>	<u>9.27</u>
Palm oil business *	-	-	24,390	94.59	-	-	90,260	87.06
Oil palm trunk (“OPT”) products	34	0.5	112	0.43	76	0.54	3,806	3.67
Total	7,386	100.0	25,785	100.00	14,059	100.00	103,678	100.00

* The Company had ceased its palm oil business on April 2024. Accordingly, the financial results of the palm oil business operation is separately disclosed as a discontinued operation.

(ii) Analysis of revenue by geographical market

	Individual 6-month period ended				Cumulative 12-month period ended		Cumulative 18-month period ended	
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	4,885	66.14	25,656	99.50	11,558	82.21	100,227	96.67
Overseas								
China	-	-	-	-	-	-	193	0.19
Singapore	-	-	-	-	-	-	2	-
Thailand	2,501	33.86	129	0.50	2,501	17.79	3,256	3.14
Total	7,386	100.00	25,785	100.00	14,059	100.00	103,678	100.00

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	Cumulative 12-month period ended 30.06.2024
		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	36,000
	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	5,542

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

Save as disclosed in Note C1, there were no material events subsequent to the end of current reporting financial year up to the date of this report.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year under review other than the Company's cessation of palm oil business in April 2024.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

A11. Contingent liabilities

The Company has the following contingent liability as at 30 June 2024:

As At 30.06.2024
RM'000

Banker's guarantee issued as security deposit for a long-term leasing agreement

300

A12. Capital commitments

There were no material capital commitments as at 30 June 2024.

GPP RESOURCES BERHAD

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LR

B1. Performance review

Performance of the current period against the corresponding period of preceding year

For the current period under review, excluding the discontinued operation, the Group revenue was RM7.4 million and loss before tax was RM3.9 million as compared to revenue of RM25.8 million and loss before tax of RM6.8 million in the corresponding period of preceding year.

The Group's revenue decreased by RM18.4 million or approximately 71% during the 2H FY24 was primarily due to cessation of Palm Oil business on April 2024. Accordingly, the financial results of the Palm Oil business with a total revenue of RM20.9 million is separately disclosed as a discontinued operation.

Notwithstanding the decrease in revenue, the Group recorded a lower gross loss of RM0.7 million during the 2H FY24 as compared to gross loss of RM6.2 million in the corresponding period of preceding year. This is mainly contributed by Renewable Energy segment arising from the profit recognition from EPCC projects.

The Group also recorded lower loss before taxation, which decreased by RM2.8 million or approximately 42% during 2H FY24 as compared to the corresponding period of previous year. This is mainly due to lower gross loss recorded for 2H FY24, and further contributed by lower finance cost due to decrease in outstanding loans and borrowings.

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 a net liability position as at 30 June 2024. Following the cessation of Palm Oil business on April 2024, the Group had, via its subsidiaries, stepped-up its efforts to tender for more FiT contracts in calendar year 2024.

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.

As at 28 August 2024 (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 RM24.6 million.

The Group remain agile and focus on streamlining its existing processes, continue with its strategies to expand the product range and markets of the Group. The Group's key focus remains the timely completion of its on-going EPCC projects. Furthermore, the Group remains vigilant in seeking opportunities to expand its revenue base.

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.

GPP RESOURCES BERHAD

(Registration No. 201801003761 (1265775-W))

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 12 April 2024, the deadline for the Company to implement the Private Placement has lapsed. the Company had not issued any Placement Shares pursuant to the 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	Actual Utilisation as at LPD	Unutilised Proceeds as at LPD	Estimated timeframe for utilisation
Capital expenditure	182	182	-	Within 60 months upon listing on the LEAP
Working capital	2,673	2,673	-	Market of Bursa Securities on 4 October
Listing expenses	1,513	1,513	-	2019 *
Total	4,186	4,186	-	

Note:

* The Company had, on 27 September 2023, 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 Renewable Energy business to sustain its FiT contracts, for the engineering, procurement, construction and commissioning of renewable energy plant, to produce and sell renewable energy to the National Grid, as well as to extend the timeframe for utilisation of listing proceeds for working capital purpose. Refer to such announcement for further details.

C3. Borrowings

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

	(Unaudited) 30.06.2024	(Audited) 30.06.2023
Non-current liabilities		
<i>Secured</i>		
Term loan	4,761	5,931
Total	4,761	5,931
Current liabilities		
<i>Secured</i>		
Bank overdrafts	7,743	7,825
Term loan	1,299	1,691
Bankers' acceptance	3,093	1,993
Total	12,135	11,509

The above borrowings are all denominated in Ringgit Malaysia.

GPP RESOURCES BERHAD

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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

Basic EPS	Individual 6-month period ended		Cumulative 12-month period	Cumulative 18-month period
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Loss attributable to owners of the Company				
- from continuing operations	(3,921)	(6,719)	(5,045)	(17,394)
- from discontinued operation	(2,807)	-	(3,934)	-
	<u>(6,728)</u>	<u>(6,719)</u>	<u>(8,979)</u>	<u>(17,394)</u>
Weighted average number of shares ('000)	<u>155,118</u>	<u>155,118</u>	<u>155,118</u>	<u>155,118</u>
Basic loss per share (sen)				
- from continuing operations	(2.53)	(4.33)	(3.25)	(11.21)
- from discontinued operation	(1.81)	-	(2.54)	-
	<u>(4.34)</u>	<u>(4.33)</u>	<u>(5.79)</u>	<u>(11.21)</u>

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 29 August 2024.