

**GCCP Resources Limited**

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

**Unaudited Results for the Financial Year Ended 31 December 2017****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Financial Year Ended		
	31 December 2017 (Unaudited) MYR'000	31 December 2016 (Audited) MYR'000	Change %
Revenue	21,745	12,196	78
Cost of sales	(9,424)	(5,547)	70
<b>Gross profit</b>	12,321	6,649	85
<b>Other items of income</b>			
Interest income	764	800	(5)
Gain on disposal of property, plant and equipment, net	-	233	n.m.
Rental of equipment	446	468	(5)
Foreign exchange gain/(loss), net	(338)	163	n.m.
<b>Items of expense</b>			
General and administrative expenses	(10,689)	(13,658)	(22)
Selling and distribution expenses	(7,204)	(2,846)	153
Finance costs	(2,333)	(1,916)	22
<b>Loss before tax</b>	(7,033)	(10,107)	(30)
Income tax (credit)/expense	192	(192)	n.m.
<b>Loss for the period, representing total comprehensive loss attributable to owners of the Company</b>	(6,841)	(10,299)	(34)

n.m. – not meaningful

**1(a)(ii) Loss before tax for the period is arrived at after charging the following:**

	<b>Group</b>		
	<b>Financial Year Ended</b>		
	<b>31 December 2017 (Unaudited) MYR'000</b>	<b>31 December 2016 (Audited) MYR'000</b>	<b>Change %</b>
Interest income	764	800	(5)
Rental of equipment income	446	468	(5)
Foreign exchange gain/(loss), net	(338)	163	n.m.
Finance costs	(2,333)	(1,916)	22
Gain on disposal of PPE	-	233	n.m.
Amortisation of leasehold lands	(2,566)	(2,175)	18
Depreciation of property, plant and equipment	(2,837)	(2,475)	15
Exploration expenditure	(4,138)	(2,734)	51

n.m. – not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2017 (Unaudited) MYR'000</b>	<b>31 December 2016 (Audited) MYR'000</b>	<b>31 December 2017 (Unaudited) MYR'000</b>	<b>31 December 2016 (Audited) MYR'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	95,227	96,696	-	-
Investments in subsidiaries	-	-	2,414	3,500
	<u>95,227</u>	<u>96,696</u>	<u>2,414</u>	<u>3,500</u>
<b>Current assets</b>				
Inventories	3,984	1,027	-	-
Trade and other receivables	10,762	14,234	93,592	112,361
Pledged deposits	22,199	21,336	-	-
Income tax recoverable	2	2	-	-
Cash and short-term deposits	1,130	20	916	3
	<u>38,077</u>	<u>36,619</u>	<u>94,508</u>	<u>112,364</u>
<b>Total assets</b>	<u>133,304</u>	<u>133,315</u>	<u>96,922</u>	<u>115,864</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	10,173	7,877	2,250	2,894
Loans and borrowings	7,936	10,153	-	-
	<u>18,109</u>	<u>18,030</u>	<u>2,250</u>	<u>2,894</u>
<b>Net current assets</b>	<u>19,968</u>	<u>18,589</u>	<u>92,258</u>	<u>109,470</u>
<b>Non-current liabilities</b>				
Trade payables	3,408	-	-	-
Amount due to directors	4,933	5,627	558	-
Loans and borrowings	30,097	26,060	-	-
	<u>38,438</u>	<u>31,687</u>	<u>558</u>	<u>-</u>
<b>Total liabilities</b>	<u>56,547</u>	<u>49,717</u>	<u>2,808</u>	<u>2,894</u>
<b>Net assets</b>	<u>76,757</u>	<u>83,598</u>	<u>94,114</u>	<u>112,970</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	164,588	164,588	164,588	164,588
Treasury shares	(9,086)	(9,086)	(9,086)	(9,086)
Other reserves	4,307	4,307	4,307	4,307
Accumulated losses	(83,052)	(76,211)	(65,695)	(46,839)
<b>Total equity</b>	<u>76,757</u>	<u>83,598</u>	<u>94,114</u>	<u>112,970</u>
<b>Total equity and liabilities</b>	<u>133,304</u>	<u>133,315</u>	<u>96,922</u>	<u>115,864</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

<b>As at 31 December 2017 (Unaudited)</b>		<b>As at 31 December 2016 (Audited)</b>	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
7,936	-	10,153	-

**Amount repayable after one year**

<b>As at 31 December 2017 (Unaudited)</b>		<b>As at 31 December 2016 (Audited)</b>	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
30,097	-	26,060	-

**Details of any collateral**

The secured loans and borrowings comprised:

	<b>As at 31 December 2017 (Unaudited)</b>	<b>As at 31 December 2016 (Audited)</b>	<b>Secured by</b>
	MYR'000	MYR'000	
Term loans	147	517	Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group.
Term loans	27,138	25,371	Charges on 2 plots of leasehold quarry lands, a crusher plant, two units of excavators, pledged deposits, an executive director's guarantee and corporate guarantee.
Term loans	1,790	2,000	Charges on a plot of industrial land, an executive director's guarantee and corporate guarantee.
Term loan for the purchase of office units	1,717	1,917	Charges on the leasehold quarry lands and office units, charge on pledged deposits, jointly and severally guaranteed by the executive directors of the Group.
Obligations under finance leases	1,841	1,764	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	5,400	4,644	Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group.
	<u>38,033</u>	<u>36,213</u>	

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 December 2017</b> <b>(Unaudited)</b> <b>MYR'000</b>	<b>31 December 2016</b> <b>(Audited)</b> <b>MYR'000</b>
<b>Operating activities</b>		
Loss before income tax	(7,033)	(10,107)
<b><u>Adjustments for:</u></b>		
Amortisation of leasehold lands	2,566	2,175
Depreciation of property, plant and equipment	2,837	2,475
Exploration expenditure	4,138	2,734
Write off of property, plant and equipment	8	3
Gain on disposal of property, plant and equipment	-	(233)
Interest income	(764)	(800)
Foreign exchange loss/(gain), net	338	(181)
Finance costs	2,333	1,916
<b>Operating cash flows before changes in working capital</b>	<b>4,423</b>	<b>(2,018)</b>
<b><u>Changes in working capital</u></b>		
Decrease in trade and other receivables	3,472	1,304
Increase in trade and other payables	5,896	2,079
Increase in inventories	(2,957)	(453)
Net changes in working capital	6,411	2,930
<b>Cash generated from operations</b>	<b>10,834</b>	<b>912</b>
Exploration expenditure	(4,138)	(2,734)
Interest received	764	800
Income tax refunded	*	*
<b>Net cash generated from/(used in) operating activities</b>	<b>7,460</b>	<b>(1,022)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(3,943)	(894)
Proceeds from disposal of property, plant and equipment	-	727
<b>Net cash used in investing activities</b>	<b>(3,943)</b>	<b>(167)</b>
<b>Financing activities</b>		
Purchase of treasury shares	-	(1,768)
Proceeds from term loan	2,287	2,572
Proceed from finance leases	649	-
Repayment of term loans	(1,300)	(530)
Repayment of obligations under finance leases	(571)	(700)
Loan from director	-	5,627
Repayment of loan from director	(694)	-
Placement of pledged deposits	(862)	(20,235)
Interest paid	(2,333)	(1,916)
<b>Net cash used in financing activities</b>	<b>(2,824)</b>	<b>(16,950)</b>
Net increase/(decrease) in cash and cash equivalents	693	(18,139)
Cash and cash equivalents at beginning of year	(4,625)	13,514
Effect of exchange rate changes on cash and cash equivalents	(338)	-
<b>Cash and cash equivalents at end of the year (Note A)</b>	<b>(4,270)</b>	<b>(4,625)</b>

\* Amount less than MYR500

**Note A: Cash and cash equivalents**

	<b>Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 December 2017 (Unaudited) MYR'000</b>	<b>31 December 2016 (Audited) MYR'000</b>
Cash and short-term deposits as per statement of financial position	1,130	20
Bank overdraft	(5,400)	(4,645)
Cash and cash equivalents as per statement of cash flow	(4,270)	(4,625)

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Group**

<b>FY2017 (Unaudited)</b>	<b>Share Capital MYR'000</b>	<b>Accumulated Losses MYR'000</b>	<b>Treasury Shares MYR'000</b>	<b>Other Reserves MYR'000</b>	<b>Total Equity MYR'000</b>
Balance as at 1 January 2017	164,588	(76,211)	(9,086)	4,307	83,598
Loss for the year, representing total comprehensive loss for the year	-	(6,841)	-	-	(6,841)
Balance as at 31 December 2017	<u>164,588</u>	<u>(83,052)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>76,757</u>

**FY2016 (Audited)**

Balance as at 1 January 2016	164,588	(65,912)	(13,011)	-	85,665
Loss for the year, representing total comprehensive loss for the year	-	(10,299)	-	-	(10,299)
Treasury shares reissued	-	-	5,693	4,307	10,000
Purchase of treasury shares	-	-	(1,768)	-	(1,768)
Balance as at 31 December 2016	<u>164,588</u>	<u>(76,211)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>83,598</u>

**Company**

<b>FY2017 (Unaudited)</b>	<b>Share Capital MYR'000</b>	<b>Accumulated Losses MYR'000</b>	<b>Treasury Shares MYR'000</b>	<b>Other Reserves MYR'000</b>	<b>Total Equity MYR'000</b>
Balance as at 1 January 2017	164,588	(46,839)	(9,086)	4,307	112,970
Loss for the year, representing total comprehensive loss for the year	-	(18,856)	-	-	(18,856)
Balance as at 31 December 2017	<u>164,588</u>	<u>(65,695)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>94,114</u>

**FY2016 (Audited)**

Balance as at 1 January 2016	164,588	(40,778)	(13,011)	-	110,799
Loss for the year, representing total comprehensive loss for the year	-	(6,061)	-	-	(6,061)
Treasury shares reissued	-	-	5,693	4,307	10,000
Purchase of treasury shares	-	-	(1,768)	-	(1,768)
Balance as at 31 December 2016	<u>164,588</u>	<u>(46,839)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>112,970</u>

**1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<b><u>Share Capital – Ordinary Shares</u></b>	<b><u>Number of issued shares</u></b>	<b><u>Share capital (MYR)</u></b>
Balance as at 30 September 2017 and 31 December 2017	1,169,445,976	155,501,496

As at 31 December 2017, the Company held 23,986,957 treasury shares (31 December 2016: 23,986,957).

The Company did not have any outstanding convertibles or hold any subsidiary holdings as at 31 December 2017 and 31 December 2016. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or GCCP Employee Share Option Scheme since adoption.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
Total number of issued shares excluding treasury shares	1,169,445,976	1,169,445,976

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial year reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company did not hold any subsidiary holdings as at the end of the current financial year reported on.



**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except for the adoption of the International Financial Reporting Standards ("IFRSs") and amendments to IFRSs applicable for the financial year beginning on or after 1 January 2017, the same accounting policies and methods of computations have been applied in the financial statements for the current reporting year as those of the audited financial statements for the financial year ended 31 December 2016. The adoption of new IFRSs and amendments to IFRSs did not result in any significant change to the Group's and the Company's accounting policies and has no significant impact on the financial statements of the Group and the Company for the current financial reporting year.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to paragraph 4 above.

6. **Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Loss per share ("LPS")	Group	
	Financial Year Ended	
	31 December 2017 <sup>(1)</sup> (Unaudited)	31 December 2016 <sup>(2)</sup> (Audited)
Loss attributable to owners of the Company (MYR'000)	6,841	10,299
Weighted average number of ordinary shares Basic and diluted LPS (MYR cents) <sup>(3)</sup>	1,169,445,976 <sup>(1)</sup> 0.58	1,163,178,483 <sup>(2)</sup> 0.89

**Notes:**

- (1) The weighted average number of shares for the financial period ended 31 December 2017 is based on the existing number of shares in issue.
- (2) The weighted average number of shares for the financial period ended 31 December 2016 is based on the existing number of shares in issue calculated after taking into account the effects of share buy backs by Company on 6 January 2016, 20 January 2016, 21 January 2016 and the reissuance of treasury shares to the vendor pursuant to the acquisition of industrial and quarry lands on 22 March 2016 which was completed on 28 June 2016 (the "**Land Acquisitions**").
- (3) The basic and diluted LPS are the same as there were no potentially dilutive securities in issue as at 31 December 2017 and 31 December 2016 respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**

- (a) Current year reported on; and  
(b) Immediately preceding financial year

Net asset value	Group		Company	
	31 December 2017 (Unaudited)	31 December 2016 (Audited)	31 December 2017 (Unaudited)	31 December 2016 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	76,757	83,598	94,114	112,970
Net asset per share at the end of the period (MYR)*	0.07	0.07	0.08	0.10

\* The calculation of net asset value per ordinary share was based on 1,169,445,976 shares as at 31 December 2017 and 31 December 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss on the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review for the performance of the Group for the 12 months ended 31 December 2017 ("FY2017") as compared to the 12 months ended 31 December 2016 ("FY2016").

### Consolidated Statement of Comprehensive Income

#### Revenue

Revenue increased by 78% to MYR21.7 million in FY2017 as compared to MYR12.2 million in FY2016 mainly due to the sale contracts secured by Hyper Act Quarries for the sale of crushed stones of ground calcium carbonate ("**GCC**") and increase in orders of precipitated calcium carbonate grades ("**PCC**") from Gridland Quarry for both domestic and export markets.

#### Cost of sales

Cost of sales increased by 70% to MYR9.4 million in FY2017, as compared to MYR5.5 million in FY2016, in line with the increase in quarrying activities to fulfil the additional orders.

#### Gross profit/margin

Gross profit in FY2017 amounted to MYR12.3 million (gross profit margin: 57%), compared to MYR6.6 million in FY2016 (gross profit margin: 55%). The higher gross profit margin was mainly due to the economies of scale from the increased production of GCC limestone at Hyper Act Quarries.

#### Other items of income

##### *Interest income*

Interest income reduced from MYR800,000 in FY2016 to MYR764,000 in FY2017 as a result of the revised lower interest rate of fixed deposits by the bank.

##### *Gain on disposal of property, plant and equipment*

No gain on disposal of property, plant and equipment ("**PPE**") was recognised for FY2017 as no PPE was disposed in FY2017 as compared to MYR233,000 from the disposal of motor vehicles.

##### *Rental of equipment*

The lower rental of equipment income of MYR446,000 in FY2017 was derived from the rental of site equipment to our quarry contractor as compared to MYR468,000 in FY2016, the decrease attributable to the cessation of the service contract with the quarry contractor in the third quarter of the financial year under review.

##### *Foreign exchange gain, net*

A foreign exchange loss of MYR338,000 was recorded in FY2017, as compared to a foreign exchange gain of MYR163,000 in FY2016 mainly due to the depreciation of US Dollars against Malaysian Ringgit arising from the conversion of the sales proceeds received in US Dollars.

### Items of expense

The Group's items of expense consisted of general and administrative expenses, selling and distribution expenses and finance costs.

#### *General and administrative expenses ("G&A Expenses")*

G&A Expenses recorded a 22% decrease from MYR13.7 million in FY2016 to MYR10.7 million in FY2017 mainly due to the decrease/absence of:-

- (a) MYR1.1 million; for the payment of professional fees for the Land Acquisition incurred in FY2016;
- (b) MYR0.6 million; from costs savings in employee benefits mainly due to the transfer of workers to a service contractor in FY2017;
- (c) MYR0.4 million; in depreciation of property plant and equipment;
- (d) MYR2.3 million; due to reclassification of sales commission, transportation charges, freight charges and cargo forwarding charges from G&A expenses to selling and distribution expenses in FY2017; offset by
- (e) an increase of MYR1.4 million for expenditure in exploration mainly due to the increase in exploration activities to identify new extraction points to boost production.

#### *Selling and distribution expenses*

Selling and distribution expenses comprised sales commission, transportation cost and other freight related charges incurred for the shipments delivered to the customers. Selling and distribution expenses increased from MYR2.8 million in FY2016 to MYR7.2 million in FY2017 as a result from the increase in deliveries and chartering of cargo vessels for exports of crushed limestones to customers as well as the reclassification of MYR2.3 million from G & A Expenses as mentioned above.

#### *Finance costs*

The increase in finance costs to MYR2.3 million in FY2017 from MYR1.9 million in FY2016, was attributable to the interest incurred from the increased borrowings totalling to approximately MYR38.0 million in FY2017 as compared to MYR36.2 million in FY2016.

#### *Exploration expenditure*

Exploration expenditure increased to MYR4.1 million in FY2017 from MYR2.7 million, due to the increase in exploration activities to identify the extraction areas for high quality limestone at Hyper Act Quarry.

### Loss before income tax

In view of the abovementioned, the Group recorded a lower loss before tax of MYR7.0 million in FY2017, compared to a loss of MYR10.1 million in FY2016, as a result of the increase in revenue from the new orders of limestone secured.

## **Consolidated Statement of Financial Position**

### Non-current assets

Non-current assets as at 31 December 2017 stood at MYR95.2 million, compared to MYR96.7 million as at 31 December 2016, the decrease mainly arose from the addition in machinery and equipment of MYR1.0 million and the capitalisation of MYR2.9 million in development costs incurred in both Gridland and Hyper Act Quarries, offset against the net of depreciation and amortisation charges of MYR5.4 million.

### Current assets

As at 31 December 2017, current assets increased to MYR38.1 million from MYR36.6 million as at 31 December 2016 mainly due to:-

- (a) a MYR2.9 million increase in inventories mainly from the increase in production of crushed stones at Hyper Act Quarries;
- (b) the increase of pledged deposits of MYR0.9 million from interest earned from the deposit;
- (c) the increase of cash and short-term deposits to MYR1.1 million as at 31 December 2017 from MYR20,000 as at 31 December 2016, arising from the drawdown of existing term loans and finance leases.
- (d) offset by the decrease of MYR3.4 million in trade and other receivables mainly due to the partial refund of the deposit of approximately MYR3.0 million placed previously to secure a limestone hill located overseas.

### Non-current liabilities

As at 31 December 2017, the Group recorded non-current liabilities of MYR38.4 million as compared to MYR31.7 million as at 31 December 2016. This was mainly due to:-

- (a) the drawdown of MYR2.3 million from a loan facility;
- (b) reclassification of the non-current portion of the claims made by the discontinuing service contractor amounting to MYR3.4 million under trade payables;
- (c) reclassification of MYR4.0 million of short term to long term borrowings from the deferment of repayment approved by the bank; offset by
- (d) the repayment of MYR0.7 million of loan owing to a director.

### Current liabilities

As at 31 December 2017, current liabilities stood at MYR18.1 million as compared to MYR18.0 million as at 31 December 2016 mainly due to:-

- (a) a MYR2.3 million increase in trade and other payables, arising largely from the increase in production, sale and delivery activities incurred in the current financial year at the Hyper Act Quarries; offset by
- (b) a decrease of MYR2.2 million from loans and borrowings, mainly due to the reclassification of these borrowings to non-current liabilities and repayments made during the financial year.

### **Consolidated Statement of Cash Flow**

In FY2017, the Group recorded net cash generated from operating activities of MYR7.5 million as compared to net cash used of MYR1.0 million in FY2016.

The net cash generated from operating activities comprised of operating cash generated before changes in working capital of MYR4.4 million adjusted for net working capital inflows of MYR6.4 million, interest received of MYR0.8 million and exploration expenditure of MYR4.1 million.

The changes in working capital were mainly due to the following:

- (a) a decrease in trade and other receivables of MYR3.5 million. The decrease was mainly due to the partial refund of deposit paid previously to secure a limestone hill overseas;
- (b) an increase in inventories of MYR2.9 million arising from the increase in production of crushed stones at Hyper Act Quarries; and

- (c) an increase in trade and other payables of MYR5.9 million due to increase in costs in line with the increase in sales.

In FY2017, net cash used in investing activities amounted to MYR3.9 million which arose from the development cost incurred for the building of infrastructure at Hyper Act Quarries and the addition of machinery and equipment.

Net cash used in financing activities amounted to MYR2.8 million was mainly due to the following:

- (a) proceeds from the drawdown of MYR2.3 million of a term loan, offset against;
- (b) repayment of term loans amounting to MYR1.3 million;
- (c) repayment of MYR0.6 million of obligations under finance leases;
- (d) repayment of MYR0.7 million loan from a director;
- (e) placement of MYR0.9 million in pledged deposits;
- (f) and the payment of MYR2.3 million on interest incurred on the bank loans.

As at 31 December 2017, the Group's cash and cash equivalents was a deficit of MYR4.3 million after netting off MYR1.1 million cash and short-term deposits as shown in the statement of financial position against drawing down from the bank overdraft of MYR5.4 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Overall, the financial results are in line with previous discussion under Section 10 of the Company's unaudited financial results announcement for the third quarter ended 30 September 2017 dated 9 November 2017.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's Gridland Quarry and Hyper Act Quarries have contributed positively to its FY2017 performance, on the back of new contracts secured and fulfilled, and the Group is looking forward to a continuation of this trend in the current financial year.

The Group continues to receive positive interest from both existing and new customers for the PCC- and GCC-grade crushed stones from its Gridland Quarry and Hyper Act Quarries respectively. The Group is currently working with both groups of customers to convert the interest into new orders. As production volumes at Gridland Quarry may be affected by factors such as crusher feed volume and stability, and weather conditions, the Group has put in place standard operating procedures and formed a capable team to focus on optimising the production of crushed stones.

The Hyper Act Quarries, which have commenced scheduled shipment of GCC crushed stones to its customers in the past quarters, is expected to make deliveries on a steady-state basis in the months ahead. Meanwhile, it is also working hard to ensure that the quality of its GCC-grade calcium carbonate stones are up to customers' expectations, by creating more extraction points to locate the calcium carbonate deposits that meet the different quality standards required.

Market demand for crushed calcium carbonate stones is expected to remain healthy and the Group is hopeful that the processes instituted and efforts to increase its business activity will lead to an expansion of its revenue streams and improvement in its performance in the current financial year.

**11. Dividend**

**If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) dividend has been declared (recommended); and**

None.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable, as no dividend for the financial year ended 31 December 2017 has been recommended.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii). There were no IPTs that exceeded S\$100,000 during the financial year under review.

The director's loan of MYR4.9 million is interest free with no fixed repayment term and no interest consideration was/will be paid by the Company and hence, there is no value at risk to the Group. Repayment to the director will only take place when funds are deemed available.

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

**(a) Revenue segment information**

The Group's business is organised into one main operating segment, which involves exploration of limestone. All of the Group's activities are interrelated and discrete financial information are reported to the Board as a single segment.

Revenue were derived from the sales of PCC stones from Gridland Quarry and GCC stones from Hyper Act Quarries in FY2017.

As at 31 December 2016, the Group has yet to commence production of GCC limestone from Hyper Act Quarries and revenue was derived entirely from the sales of PCC stones from Gridland Quarry.

Segment by product	FY2017 MYR'000	FY2016 MYR'000
Gridland Quarry (PCC stone)	12,737	12,196
Hyper Act Quarries (GCC Stone)	9,008	-
<b>Total</b>	<b>21,745</b>	<b>12,196</b>

**(b) Geographical segment information**

Segment by area	FY2017 MYR'000	FY2016 MYR'000
Malaysia	2,053	1,891
Indonesia	19,692	10,305
<b>Total</b>	<b>21,745</b>	<b>12,196</b>

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

Please refer to paragraph 8.

In addition, the main factor leading to the performance of the Group which affect the contributions to the turnover and earnings are in relation to the quality of the limestone produced. Any deviation of quality between production standard and the requirement by the customers will affect the future orders from the customers. Therefore it is important for the quarries to constantly maintain different points of extract at various points to cover the lack of quality from certain points if necessary. The other factor affecting the contributions to the turnover is the stability of the crushing plant at Hyper Act and Gridland Quarries. The downtime will affect the productivity and this is remedied with extended working hours and also garnering the strong support of maintenance services from the suppliers and contractors. Only with the high level of production, Hyper Act and Gridland Quarries are able to fulfill the incoming orders which the Group expects to receive.

**16. A breakdown of sales**

	<u>Group</u>		
	<u>FY2017</u> <u>MYR'000</u>	<u>FY2016</u> <u>MYR'000</u>	<u>Increase</u> <u>%</u>
Sales reported for first half year	8,166	5,691	43
Profit/(loss) after tax before deducting minority interests reported for first half year	94	(6,993)	n.m.
Sales reported for second half year	13,579	6,505	109
Loss after tax before deducting minority interests reported for second half year	(6,935)	(3,306)	110



17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend had been declared for FY2017 and FY2016.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Loo Wei Hong ("Loo WH")	25	Son of our CEO, Alex Loo	Marketing Manager  Loo WH was promoted to handle the marketing of the limestone products of the Companies. His role is to identify and formulate strategies to penetrate new customer base locally and overseas to increase the market shares of the Group.  Position was first held: 1 May 2017.	Assistant Project Manager to Marketing Manager  Loo WH was re-assigned to take up the position of Marketing Manager after one and a half year working as the Assistant Project Manager to supervise the completion of the crusher plant at Hyper Act site.

#### ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

- 19a. Rule 705 (6)(a) of the Catalist Listing Manual

- i. Use of funds/cash for the quarter:-

For the quarter ended 31 December 2017 ("4QFY2017"), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Progressive payment for crusher plant	200,000	-
Development cost	500,000	1,200,000
<b>Total</b>	<b>700,000</b>	<b>1,200,000</b>

Variance Explanation:

The crusher plant contractor has not resolved the quality issues for the crushed stones produced by the plant and as such the Company has decided to defer the instalment payment until the issues are solved.

MYR1.2 million was incurred and paid in the development works of both the Gridland Quarry and Hyper Act Quarries as compared to a projection of MYR0.5 million for the last quarter. The variance was mainly due to a partial payment paid out for a claim by the discontinuing service contractor based on an area survey done on the quarries to assess and determine a final settlement for the services rendered.

**ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-**

For the next immediate quarter (financial period from 1 January 2018 to 31 March 2018 (“1QFY2018”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	800,000
<b>Total</b>	<b>800,000</b>

For the Group’s development plan, please refer to the sections entitled “General Information on our Company and our Group – Our Quarries” and “General Information on our Company and our Group –Business Strategies and Future Plans” of our Offer Document dated 20 April 2015.

**19b. Rule 705 (6)(b) of the Catalist Listing Manual**

The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

**20a. Rule 705 (7)(a) of the Catalist Listing Manual**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;**

Hyper Act Quarries

Hyper Act Quarries has incurred a cost of MYR2.0 million for development of access roads and clearance of overburden in FY2017. These roads will be built continuously to gain access to deeper and different areas of the hills in order to reach the various points of extraction. Exploration cost of MYR1.5 million was spent in FY2017 for the blasting activities in order to locate the desired quality GCC limestone suited for the use of the customers. The Group will only proceed with the construction of the powder plant project when Hyper Act Quarries’ cash flow position is back to a healthy level which is sufficient to fund the project.

A summary of the expenditure at Hyper Act Quarries incurred in FY2017 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Development of access roads and clearance of overburden	2,013
Exploration expenditure	1,493
<b>Total:</b>	<b>3,506</b>

Hyper Act Quarries has incurred a total of MYR5.0 million on production activities in FY2017.

A summary of the production of crushed stones at Hyper Act Quarries for the year under review is as follows:-

	<b>Metric ton (MT)</b>
Crushed GCC limestone	138,138

Gridland Quarry

Gridland Quarry has incurred a total of MYR2.6 million in FY2017 for exploration activities which involved blasting to open new faces to increase the extraction points for the feeds to the crusher plant. The development of access roads and clearance of overburden was a total of MYR0.9 million in FY2017.

A summary of the expenditure at Gridland Quarry incurred in FY2017 for the aforementioned activities are as follows:-

	<b>Amount (MYR'000)</b>
Development of access roads and clearance of overburden	887
Exploration expenditure	2,645
<b>Total:</b>	<b>3,532</b>

Gridland Quarry has incurred MYR3.5 million on production activities in FY2017.

A summary of the production of crushed stones at Gridland Quarry for FY2017 is as follows:-

	<b>Metric ton (MT)</b>
Crushed PCC limestone	447,077

**20b. Rule 705 (7)(b) of the Catalist Listing Manual**

**Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.**

The Company has no material updates on the reserves and resources as set out in the IQPR (Independent Qualified Person's Report) dated 8 April 2017. A copy of the IQPR can be found in the Company's Annual Report 2016.

**21. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the SGX-ST Listing Manual Section B: Rules of Catalist.

**BY ORDER OF THE BOARD  
GCCP RESOURCES LIMITED**

Loo An Swee, Alex  
Executive Chairman and CEO  
1 March 2018

*This announcement has been prepared by the GCCP Resources Limited (the "**Company**") and its contents have been reviewed by the PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*