

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the Second Quarter Period Ended 30 June 2018**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					
	Three Months Ended			Six Months Ended		
	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	Change %	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	Change %
Revenue	4,738	5,164	(8)	9,172	8,166	12
Cost of sales	(2,782)	(1,254)	122	(5,063)	(1,737)	191
Gross profit	1,956	3,910	(50)	4,109	6,429	(36)
Other items of income						
Interest income	175	220	(20)	340	436	
Rental of equipment	-	191	n.m.	-	382	n.m.
Items of expense						
Foreign exchange (loss)/gain, net	(3)	(177)	(98)	137	(177)	n.m.
General and administrative expenses	(2,300)	(2,351)	(2)	(4,791)	(4,086)	
Selling and distribution expenses	(1,136)	(894)	27	(2,111)	(1,760)	
Finance costs	(605)	(572)	6	(1,192)	(1,130)	
Profit/(Loss) before tax	(1,913)	327	n.m.	(3,508)	94	n.m.
Income tax expense	-	-	-	-	-	-
Profit/(Loss) for the period, representing total comprehensive loss attributable to owners of the Company	(1,913)	327	n.m.	(3,508)	94	n.m.

n.m. – not meaningful

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	Change %	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	Change %
Interest income	175	220	(20)	340	436	(22)
Rental of equipment income	-	191	n.m.	-	382	n.m.
Finance costs	(605)	(572)	6	(1,192)	(1,130)	5
Gain on disposal of property, plant and equipment	-	-	-	-	1,097	n.m.
Amortisation of leasehold lands	(664)	(637)	4	(1,322)	(1,267)	4
Depreciation of property, plant and equipment	(683)	(676)	1	(1,388)	(1,363)	2
Foreign exchange (loss)/gain, net	(3)	(177)	(98)	137	(177)	n.m.
Exploration expenditure	(261)	(742)	(65)	(501)	(1,344)	(63)

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

	Group		Company	
	30 June 2018 (Unaudited) MYR'000	31 December 2017 (Audited) MYR'000	30 June 2018 (Unaudited) MYR'000	31 December 2017 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	93,468	95,227	-	-
Investments in subsidiaries	-	-	2,414	2,414
	<u>93,468</u>	<u>95,227</u>	<u>2,414</u>	<u>2,414</u>
Current assets				
Inventories	4,498	3,983	-	-
Trade and other receivables	10,881	10,762	92,834	93,592
Pledged deposits	22,853	22,199	-	-
Income tax recoverable	2	2	-	-
Cash and short-term deposits	394	1,130	3	916
	<u>38,628</u>	<u>38,076</u>	<u>92,837</u>	<u>94,508</u>
Total assets	<u>132,096</u>	<u>133,303</u>	<u>95,251</u>	<u>96,922</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	11,919	10,173	2,968	2,250
Loans and borrowings	11,231	7,936	-	-
	<u>23,150</u>	<u>18,109</u>	<u>2,968</u>	<u>2,250</u>
Net current assets	<u>15,478</u>	<u>19,967</u>	<u>89,869</u>	<u>92,258</u>
Non-current liabilities				
Trade Payable	3,259	3,407	-	-
Amount due to a director	5,939	4,933	1,769	558
Loans and borrowings	26,498	30,097	-	-
	<u>35,696</u>	<u>38,437</u>	<u>1,769</u>	<u>558</u>
Total liabilities	<u>58,846</u>	<u>56,546</u>	<u>4,737</u>	<u>2,808</u>
Net assets	<u>73,250</u>	<u>76,757</u>	<u>90,514</u>	<u>94,114</u>
Equity attributable to owners of the Company				
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	(86,559)	(83,052)	(69,295)	(65,695)
Total equity	<u>73,250</u>	<u>76,757</u>	<u>90,514</u>	<u>94,114</u>
Total equity and liabilities	<u>132,096</u>	<u>133,303</u>	<u>90,251</u>	<u>96,922</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
11,231	-	7,936	-

Amount repayable after one year

As at 30 June 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
26,498	-	30,097	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 June 2018 (Unaudited)	As at 31 December 2017 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	-	147	Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group.
Term loans	27,138	27,138	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	1,496	1,790	Charges on a plot of industrial land, an executive director's guarantee and corporate guarantee.
Term loan for the purchase of office units	1,572	1,717	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	1,880	1,841	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	5,643	5,400	Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group.
	<u>37,729</u>	<u>38,033</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.

	Group			
	Three Months Ended		Six Months Ended	
	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000
Operating activities				
Profit/(loss) before income tax	(1,913)	327	(3,508)	94
Adjustments for:				
Amortisation of leasehold lands	664	637	1,322	1,267
Depreciation of property, plant and equipment	683	676	1,388	1,363
Exploration expenditure	261	742	501	1,344
Write off of property, plant and equipment	-	-	-	8
Gain on disposal of property, plant and equipment	-	-	-	(1,097)
Interest income	(175)	(220)	(340)	(436)
Foreign exchange loss/(gain), net	(3)	177	137	177
Finance costs	605	572	1,192	1,130
Operating cash flows before changes in working capital	122	2,911	692	3,850
Changes in working capital				
(Increase)/decrease in trade and other receivables	(376)	(742)	(118)	1,031
Increase in trade and other payables	1,482	726	1,597	2,179
Decrease/(Increase) in inventories	51	(1,263)	(514)	(2,636)
Net changes in working capital	1,157	(1,279)	965	574
Cash generated from operations	1,279	1,632	1,657	4,424
Exploration expenditure	(261)	(742)	(501)	(1,344)
Interest received	175	220	340	436
Interest paid	(605)	(572)	(1,192)	(1,130)
Income tax refunded	-*	-*	-*	1
Net cash generated from operating activities	588	538	304	2,387
Investing activity				
Purchase of property, plant and equipment (Note A)	(190)	(655)	(590)	(3,580)
Proceed from disposal of property, plant and equipment	-	-	-	2,021
Net cash used in investing activities	(190)	(655)	(590)	(1,559)
Financing activities				
Proceeds from term loan	-	1,213	-	1,214
Repayment of term loans	(305)	(148)	(586)	(263)
Repayment of obligations under finance leases	(166)	(135)	(321)	(274)
Loan from director	49	820	1,006	602
Placement of pledged deposits	(648)	(842)	(655)	(851)
Net cash (used in)/generated from financing activities	(1,070)	908	(556)	428
Net (decrease)/ increase in cash and cash equivalents	(672)	791	(842)	1,256
Cash and cash equivalents at beginning of period	(4,580)	(4,160)	(4,270)	(4,625)
Effect of exchange rate changes on cash and cash equivalents	3	(177)	(137)	(177)
Cash and cash equivalents at end of the period (Note B)	(5,249)	(3,546)	(5,249)	(3,546)

* Amount less than MYR500

Note A: Purchase of property, plant and equipment

	Group	
	Three Months Ended	
	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000
Additions to property, plant and equipment deposits as per statement of financial position	(190)	(655)
Less: Prepayment made in prior year	-	-
Less: Purchase with treasury shares	-	-
Cash and cash equivalents as per statement of cash flow	(190)	(655)

Note B: Cash and cash equivalents

	Group	
	Three Months Ended	
	30 June 2018 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	394	1,025
Bank overdraft	(5,643)	(4,571)
Cash and cash equivalents as per statement of cash flow	(5,249)	(3,546)

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

2QFY2018 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 April 2018	164,588	(84,646)	(9,086)	4,307	75,163
Loss for the period, representing total comprehensive loss for the period	-	(1,913)	-	-	(1,913)
Balance as at 30 June 2018	<u>164,588</u>	<u>(86,559)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>73,250</u>
Balance as at 1 April 2017	164,588	(76,444)	(9,086)	4,307	83,365
Profit for the period, representing total comprehensive profit for the period	-	327	-	-	327
Balance as at 30 June 2017	<u>164,588</u>	<u>(76,117)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>83,692</u>

Company

2QFY2018 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 April 2018	164,588	(69,119)	(9,086)	4,307	90,690
Loss for the period, representing total comprehensive loss for the period	-	(175)	-	-	(175)
Balance as at 30 June 2018	<u>164,588</u>	<u>(69,294)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>90,515</u>
Balance as at 1 April 2017	164,588	(45,298)	(9,086)	4,307	114,511
Loss for the period, representing total comprehensive loss for the period	-	(2,225)	-	-	(2,225)
Balance as at 30 June 2017	<u>164,588</u>	<u>(47,523)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>112,286</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.

Share Capital – Ordinary Shares

	Number of issued shares (excluding treasury shares)	Share capital (MYR)
Balance as at 31 March 2018 and 30 June 2018	1,169,445,976	155,501,496

As at 30 June 2018, the Company held 23,986,957 treasury shares (30 June 2017: 23,986,957), equivalent to 2.05% of the total number of issued and paid up share capital of the Company.

The Company did not have any outstanding convertibles or subsidiary holdings as at 30 June 2018 and 30 June 2017. 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 period and as at the end of the immediately preceding year.

	As at 30 June 2018	As at 31 December 2017
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 period 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 have any subsidiary holdings as at the end of the current financial period 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 period beginning on or after 1 January 2018, the same accounting policies and methods of computations have been applied in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2017. 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 period.

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)/Earnings per share ("LPS")/"EPS"	Group			
	Three Months Ended		Six Months Ended	
	30 June 2018 ⁽¹⁾ (Unaudited)	30 June 2017 (Unaudited)	30 June 2018 ⁽¹⁾ (Unaudited)	30 June 2017 (Unaudited)
(Loss)/profit attributable to owners of the Company (MYR'000)	(1,913)	327	(3,508)	94
Weighted average number of ordinary shares	1,169,445,976	1,169,445,976	1,169,445,976	1,169,445,976
Basic and diluted (LPS)/EPS (MYR cents) ⁽¹⁾	(0.2)	0.03	(0.3)	0.01

Notes:

(1) The basic and diluted (LPS)/EPS are the same as there were no potentially dilutive securities in issue as at 30 June 2018 and 30 June 2017 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 period reported on; and
(b) Immediately preceding financial year

Net asset value	Group		Company	
	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2018 (Unaudited)	31 December 2017 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	73,250	76,756	90,514	94,114
Net asset per share at the end of the period (MYR)*	0.06	0.07	0.08	0.08

* The calculation of net asset value per ordinary share was based on 1,169,445,976 ordinary shares (excluding treasury shares) as at 30 June 2018 and 31 December 2017.

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 three months ended 30 June 2018 ("2QFY2018") as compared to the three months ended 30 June 2017 ("2QFY2017").

Consolidated Statement of Comprehensive Income

Revenue

Revenue for the Group decreased to MYR4.7 million in 2QFY2018, compared to MYR5.2 million in 2QFY2017. The decrease was due to the reduction of orders by a customer for ground calcium carbonate ("**GCC**") stones from the Hyper Act Quarries.

Cost of sales

Cost of sales increased to MYR2.8 million in 2QFY2018 from MYR1.3 million in 2QFY2017 mainly due to the rise in quarrying activities at Gridland Quarry to build up stockpiles in anticipation of new orders in the coming quarter.

Gross profit/margin

Gross profit in 2QFY2018 amounted to MYR2.0 million (gross profit margin: 41%), compared to MYR3.9 million in 2QFY2017 (gross profit margin: 76%). The lower gross profit margin was mainly due to higher blasting and quarrying activities in 2QFY2018, compared to 2QFY2017 which had large closing stocks of GCC limestone in Hyper Act Quarries that were carried forward from the fourth quarter of the financial year ended 31 December 2016.

Other items of income

Interest income

Interest income decreased in 2QFY2018 to MYR175,000 as compared to MYR220,000 in 2QFY2017 due to the reduction in the fixed deposit rate offered by the bank.

Rental of equipment

There was no income from equipment rental in 2QFY2018 as compared to the income of MYR191,000 in 2QFY2017. The income in 2QFY2017 was derived from the rental of site equipment to our quarry contractor that ceased in the third quarter of FY2017.

Items of expense

The Group's items of expense consisted of net foreign exchange loss, general and administrative expenses and finance costs.

Foreign exchange loss, net

A foreign exchange loss of MYR3,000 was recorded in 2QFY2018, as compared to a foreign exchange loss of MYR117,000 in 2QFY2017 due to the weakening of Malaysian Ringgit, resulting from decrease in conversion from Ringgit to Singapore Dollar arising from the payments of services that were denominated in Singapore Dollars.

General and administrative expenses (“G&A Expenses”)

G&A Expenses recorded a decrease of 2% from MYR2.35 million in 2QFY2017 to MYR2.3 million in 2QFY2018 mainly due to savings from traveling expenses and staff welfare. Other items in G & A Expenses remained relatively unchanged year-on-year.

Selling and distribution expenses

Selling and distribution expenses increased from MYR0.9 million in 2QFY2017 to MYR1.1 million in 2QFY2018 mainly on account of higher transportation cost as a result of the increased trips of delivery to the port which was in line with the increased quarrying activities at Gridland Quarry.

Finance costs

Finance costs remained unchanged year-on-year at MYR0.6 million attributable to the interest incurred on term loans, finance leases and bank overdraft facilities.

Exploration expenditure

Exploration expenditure amounted to MYR0.3 million was incurred in 2QFY2018 as compared to MYR0.7 million in 2QFY2017. The decrease was due to the downward revision of blasting costs by the Group’s contractor and less exploration activities carried out in the quarter under review.

Loss before income tax

Taking into account the decrease in revenue, and increase in various costs and expenses mentioned above, the Group recorded a loss before tax of MYR1.9 million in 2QFY2018 compared to a profit before tax of MYR0.3 million in 2QFY2017.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased to MYR93.5 million as at 30 June 2018 from MYR95.2 million as at 31 December 2017 due to the addition in machinery and equipment of MYR0.4 million and the capitalisation of MYR0.6 million in development costs incurred on Hyper Act Quarries. These were offset against the year to date depreciation and amortisation charges of MYR2.7 million.

Current assets

As at 30 June 2018, current assets increased to MYR38.6 million from MYR38.1 million as at 31 December 2017 mainly due to:-

- a) an increase in inventories of MYR0.5 million mainly from the increase in production of crushed stones at Gridland Quarry;
- b) an increase in trade and other receivables of MYR0.1 million arising slight delay in payment by customers;
- c) an increase of pledged deposits of MYR0.6 million from interest earned from the deposit; and
- d) a decrease of cash and short-term deposits to MYR0.4 million as at 30 June 2018 from MYR1.1 million as at 31 December 2017, which was mainly due to payments made to certain new vendors in the current quarter.

Non-current liabilities

As at 30 June 2018, non-current liabilities decreased to MYR35.7 million from MYR38.4 million as at 31 December 2017. This was mainly due to:

- a) a decrease of MYR0.1 million in trade payables after repayment;
- b) an increase of MYR1.0 million loan from a director; and
- c) a reclassification of MYR3.6 million loans and borrowings which are due in the next twelve months to current liabilities.

Current liabilities

As at 30 June 2018, current liabilities stood at MYR23.1 million as compared to MYR18.1 million as at 31 December 2017 mainly due to:-

- a) an increase in trade and other payables of MYR1.7 million largely from the increase in blasting and extraction activities at Gridland Quarry during the current quarter under review; and
- b) an increase in loans and borrowings amounting to MYR3.3 million was mainly due to the reclassification of borrowings from non-current liabilities, offset by repayment of loans.

Consolidated Statement of Cash Flow

In 2QFY2018, the Group recorded net cash generated from operating activities of MYR0.6 million as compared to MYR0.5 million in 2QFY2017.

The net cash generated in operating activities comprised operating cash generated before changes in working capital of MYR0.1 million adjusted for net working capital inflows of MYR1.2 million, interest paid of MYR0.6 million, interest received of MYR0.2 million and exploration expenditure of MYR0.3 million.

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

- (a) an increase in trade and other receivables of MYR0.4 million. The increase was mainly due to the slower payment from certain customers in the current quarter;
- (b) a narrow decrease in inventories of MYR0.051 million arising from lower production activity in Hyper Act Quarries during 2QFY2018 as compared to the 3 months ended 31 March 2018 ("1QFY2018") coupled with the increased sales from Gridland Quarry during 1QFY2018, slightly offset by the increase in inventories arising from production in Gridland Quarry; and
- (c) an increase in trade and other payables of MYR1.5 million due to the increase in blasting and quarrying activities in Gridland Quarry.

In 2QFY2018, net cash used in investing activities amounted to MYR0.2 million. These were incurred for the purchase of machinery and equipment.

Net cash used in financing activities amounted to MYR1.1 million, and was mainly due to the total repayment of loans and borrowings of MYR0.5 million and the placement of MYR0.6 million into pledged deposits.

As at 30 June 2018, the Group's cash and cash equivalents was a deficit of MYR5.2 million after netting off MYR0.4 million cash and short-term deposits against the drawing down from the bank overdraft of MYR5.6 million as shown in the statement of financial position.

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 first quarter ended 31 March 2018 dated 12 May 2018.

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.

In the quarter under review, the Group has been working closely with a new local customer and has successfully secured sales orders from the customer. The Group is currently in the midst of working with the customer to convert these orders into a longer-term contract.

Results from regular sample-testing of calcium carbonate stones from both Gridland Quarry and Hyper Act Quarries continue to demonstrate the high quality of the stones. The Group is confident that the good quality of its stones, both of Precipitated Calcium Carbonate ("PCC") and Ground Calcium Carbonate ("GCC") grades, along with the cost efficiency, assurance of supply and long-standing relationships with its existing customers, will be instrumental for the Group to sustain and succeed in the increasingly competitive calcium carbonate industry. In anticipation of new orders from new and existing customers, the Group has gradually increased its quarrying activities at Gridland Quarry to accumulate stockpiles to meet the demand.

Demand for calcium carbonate stones is expected to remain healthy and stable. In line with this, the Group will continue its effort to improve productivity at its quarries, and secure new orders to add to its revenue stream. Barring unforeseen circumstances, the Group expects to generate steady revenue in the quarters ahead.

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 interim dividend for the second quarter ended 30 June 2018 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 period under review.

The director's loan of MYR5.9 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.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

14a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For the quarter ended 30 June 2018 (“**2QFY2018**”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development cost	500,000	-
Total	500,000	-

Variance Explanation:

No development activities took place at both quarries as efforts are concentrated on production activities to maximise stocks for timely deliveries.

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 July 2018 to 30 September 2018 (“**3QFY2018**”), the Company's use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	300,000
Total	300,000

14b. 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.

15a. 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 Quarry

In the quarter under review, Hyper Act Quarries had incurred a small amount of MYR30,000 in exploration to retrieve samples continuously for testing to determine the extraction points for quality limestone with the priority to increase the stock level.

A summary of the expenditure at Hyper Act Quarry incurred in 2QFY2018 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	30
Total:	30

A summary of the production of crushed stones at Hyper Act Quarry in 2QFY2018 is as follows:-

	Metric ton (MT)
Crushed GCC limestone	23,712

Gridland Quarry

Gridland Quarry has incurred MYR0.2 million for exploration activities which involved blasting to open new faces in the current quarter under review. Gridland Quarry will continue to improve in order to achieve higher output of production.

A summary of the expenditure at Gridland quarry site incurred in 2QFY2018 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	231
Total:	231

A summary of the production of crushed stones at Gridland Quarry for 2QFY2018 is as follows:-

	Metric ton (MT)
Crushed PCC limestone	299,645

15b. 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 2018. A copy of the IQPR can be found in the Company's Annual Report 2017.

16. 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.

17. Confirmation Pursuant to Rule 705(5) of the Catalist Listing Manual.

The Board of Directors of the Company hereby confirms that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the second quarter ended 30 June 2018 to be false or misleading in any material aspect.

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

Loo An Swee, Alex
Executive Chairman and CEO
13 August 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).