

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Financial Statements and Dividend Announcement for the Third Quarter Ended 30 September 2015

GCCP Resources Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 April 2015. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with 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 Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318.

Background

The Company together with its subsidiaries (the "**Group**") undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of the SGX-ST (the "**Restructuring Exercise**").

The details of The Restructuring Exercise are as follows:

(a) Incorporation of the Company

The Company was incorporated by the shareholders of Gridland Sdn. Bhd. ("**GSB**") and Hyper Act Marketing Sdn. Bhd. ("**HAM**") in Cayman Islands on 1 November 2013 as a company limited by shares, with an initial subscriber share capital of USD 200, for the purpose of becoming the holding company of the Group.

(b) Acquisition of GSB and HAM

In accordance with the terms of a Term Sheet agreement dated 6 December 2013 entered into between the Company and the shareholders of GSB and HAM ("**Shareholders**"), the entire issued share capital of GSB and HAM were transferred from the Shareholders to the Company for a consideration of MYR 5,000,000 and MYR 2 respectively, based on the respective issued share capital of GSB and HAM as at 3 December 2013. Pursuant to the completion of the Restructuring Exercise, GSB and HAM became wholly owned subsidiaries of the Company. (For details of the restructuring exercise please refer to page 71, entitled "Restructuring Exercise" of the Offer Document dated 20 April 2015).

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 | | | Nine Months Ended | | |
| | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 | Change % | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 | Change % |
| Revenue | 873 | 235 | 271 | 1,049 | 433 | 142 |
| Cost of sales | (867) | (180) | 382 | (1,010) | (344) | 194 |
| Gross profit | 6 | 55 | (89) | 39 | 89 | (56) |
| Other item of income | | | | | | |
| Interest income | 125 | 1 | n.m. | 146 | 13 | 1,023 |
| Foreign exchange gain, net | 662 | 179 | 270 | 2,334 | 164 | 1,323 |
| Other items of expense | | | | | | |
| General and administrative expenses | (486) | (6,286) | (92) | (20,403) | (8,221) | 148 |
| Finance costs | (86) | (2,635) | (97) | (220) | (2,750) | (92) |
| Profit/(loss) before tax | 221 | (8,686) | n.m. | (18,104) | (10,705) | 69 |
| Income tax expense | - | - | - | - | - | - |
| Profit/(loss) for the period, representing total comprehensive income attributable to owners of the Company | 221 | (8,686) | n.m. | (18,104) | (10,705) | 69 |

- 1(a)(ii) Profit/(loss) before tax for the period is arrived at after charging the following:

| | Group | | | | | |
|---|--|--|-------------|--|--|-------------|
| | Three Months Ended | | | Nine Months Ended | | |
| | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 | Change % | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 | Change % |
| Loss on conversion of convertible loan | - | - | - | (9,079) | - | n.m. |
| Depreciation of leasehold lands | (200) | (149) | 34 | (580) | (330) | 76 |
| Depreciation of property, plant and equipment | (331) | (178) | 86 | (948) | (485) | 95 |
| IPO cost | 1,939 | (4,224) | n.m. | (5,448) | (5,753) | 5 |
| Exploration expenditure | - | (175) | n.m. | (465) | (291) | 60 |

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 September 2015 (Unaudited) MYR'000 | 31 December 2014 (Audited) MYR'000 | 30 September 2015 (Unaudited) MYR'000 | 31 December 2014 (Audited) MYR'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 35,984 | 29,908 | - | - |
| Prepayments for property, plant and equipment | 11,664 | 4,000 | - | - |
| Investments in subsidiaries | - | - | 5,000 | 5,000 |
| | 47,648 | 33,908 | 5,000 | 5,000 |
| Current assets | | | | |
| Inventories | 1,792 | 896 | - | - |
| Trade and other receivables | 27,535 | 21 | 119,519 | 41,343 |
| Prepayments | 1 | 1,943 | - | 676 |
| Pledged deposits | 27,214 | 1,069 | - | - |
| Income tax recoverable | 2 | 2 | - | - |
| Cash and cash equivalents | 2,688 | 9,457 | 545 | 2,884 |
| | 59,232 | 13,388 | 120,064 | 44,903 |
| Total assets | 106,880 | 47,296 | 125,064 | 49,903 |
| EQUITY AND LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 2,984 | 6,770 | 351 | 2,782 |
| Loans and borrowings | 804 | 594 | - | - |
| Derivative financial instruments | - | 47,168 | - | 47,168 |
| | 3,788 | 54,532 | 351 | 49,950 |
| Net current assets/(liabilities) | 55,444 | (41,144) | 119,713 | (5,047) |
| Non-current liability | | | | |
| Loan and borrowings | 3,534 | 23,670 | - | 21,960 |
| Total liabilities | 7,322 | 78,202 | 351 | 71,910 |
| Net assets/(liabilities) | 99,558 | (30,906) | 124,713 | (22,007) |
| Equity attributable to owners of the Company | | | | |
| Share capital | 164,588 | 16,020 | 164,588 | 16,020 |
| Accumulated losses | (65,030) | (46,926) | (39,875) | (38,027) |
| Total equity/(deficit) | 99,558 | (30,906) | 124,713 | (22,007) |
| Total equity and liabilities | 106,880 | 47,296 | 125,064 | 49,903 |

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 September 2015 (Unaudited) | | As at 31 December 2014 (Audited) | |
|--|----------------------|---|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 804 | - | 594 | - |

Amount repayable after one year

| As at 30 September 2015 (Unaudited) | | As at 31 December 2014 (Audited) | |
|--|----------------------|---|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 3,534 | - | 23,670 | - |

Details of any collateral

The secured loans and borrowings comprised the following:

| | As at 30 September 2015 (Unaudited) | As at 31 December 2014 (Audited) | Secured by |
|---------------------------------|--|---|--|
| | MYR'000 | MYR'000 | |
| Term loans | 3,144 | 1,178 | (i) Charge on a freehold residential land with a 2 storey bungalow held by a director of the Group. (ii) Charges on the leasehold corporate office lots, leasehold quarry lands, a part of pledged deposits and jointly and severally guaranteed by the directors of the Group. |
| Obligation under finance leases | 1,194 | 1,126 | Charges on the assets bought under the leases and jointly and severally guaranteed by directors of the Group. |
| Convertible loans | - | 21,960 | Charge on the ordinary shares of the Company's subsidiaries, Gridland Sdn. Bhd. and Hyper Act Marketing Sdn. Bhd.. |
| | <u>4,338</u> | <u>24,264</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 | | Nine Months Ended | |
| | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 | 30 September 2015 (Unaudited) MYR'000 | 30 September 2014 (Unaudited) MYR'000 |
| Operating activities | | | | |
| Profit/(loss) before income tax | 221 | (8,686) | (18,104) | (10,705) |
| <u>Adjustments for:</u> | | | | |
| Depreciation of leasehold lands | 200 | 149 | 580 | 330 |
| Depreciation of property, plant and equipment | 331 | 178 | 948 | 485 |
| Exploration expenditure | - | 175 | 465 | 291 |
| Loss on conversion of convertible loan | - | - | 9,079 | - |
| Write off of property, plant and equipment | 13 | - | 13 | 1 |
| Interest income | (125) | (1) | (146) | (13) |
| Foreign exchange (gain)/loss, net | (662) | (179) | (2,334) | (164) |
| Finance costs | 86 | 2,635 | 220 | 2,750 |
| Operating cash flows before changes in working capital changes | 64 | (5,729) | (9,279) | (7,025) |
| <u>Changes in working capital</u> | | | | |
| Decrease/(increase) in trade and other receivables | 3,975 | (1,324) | (901) | (1,487) |
| Decrease/(increase) in prepayments | (1) | 1,778 | (244) | (778) |
| Increase/(decrease) in trade and other payables | (4,298) | 1,212 | (3,786) | (729) |
| Decrease/(Increase) in inventories | 24 | (200) | (897) | (418) |
| Net changes in working capital | (300) | 1,466 | (5,828) | (3,412) |
| Cash flows used in operations | (236) | (4,263) | (15,107) | (10,437) |
| Exploration expenditure | - | (175) | (465) | (291) |
| Interest received | 125 | 1 | 146 | 13 |
| Interest paid | (86) | (19) | (220) | (134) |
| Income tax refunded | - | - | - | (1) |
| Net cash used in operating activities | (197) | (4,456) | (15,646) | (10,850) |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (1,236) | (525) | (15,281) | (14,871) |
| Advances/deposits for acquisition of property, plant and equipment | (24,426) | - | (24,426) | - |
| Net cash used in investing activities | (25,662) | (525) | (39,707) | (14,871) |
| Financing activities | | | | |
| Proceeds from initial public offering ("IPO") of ordinary shares | - | - | 72,518 | - |
| Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange | (2,157) | - | (2,157) | - |
| Proceeds from convertible loans | - | 22,430 | - | 48,306 |
| Proceeds from term loan | - | - | 2,300 | - |
| Repayment of term loans | (139) | (74) | (333) | (2,192) |
| Proceeds from finance leases | 90 | - | 328 | - |
| Repayment of obligation under finance leases | (102) | (35) | (261) | (103) |
| Placement of pledged deposits | (26,125) | (5) | (26,145) | (229) |
| Net cash (used in)/generated from financing activities | (28,433) | 22,316 | 46,250 | 45,782 |
| Net (decrease)/increase in cash and cash equivalents | (54,292) | 17,335 | (9,103) | 20,061 |
| Cash and cash equivalents at beginning of period | 56,318 | 788 | 9,457 | (1,909) |
| Effect of exchange rate changes on cash and cash equivalents | 662 | 179 | 2,334 | 150 |
| Cash and cash equivalents at end of the period | 2,688 | 18,302 | 2,688 | 18,302 |

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

| (Unaudited) | Share Capital | Accumulated Losses | Total Equity |
|---|----------------------|---------------------------|---------------------|
| | MYR'000 | MYR'000 | MYR'000 |
| Balance as at 1 July 2015 | 166,745 | (65,251) | 101,494 |
| Profit for the financial period, representing total comprehensive income for the period | - | 221 | 221 |
| Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange. | (2,157) | - | (2,157) |
| Balance as at 30 September 2015 | 164,588 | (65,030) | 99,558 |
| Balance as at 1 July 2014 | 1 | (5,900) | (5,899) |
| Loss for the period, representing total comprehensive income for the period | - | (8,686) | (8,686) |
| Conversion of convertible loan | 11,019 | - | 11,019 |
| Issuance of new shares (IPO) | 5,000 | - | 5,000 |
| Balance as at 30 September 2014 | 16,020 | (14,586) | 1,434 |

Company

| (Unaudited) | Share Capital | Accumulated Losses | Total Equity |
|--|--------------------------|-------------------------------|-------------------------|
| | MYR'000 | MYR'000 | MYR'000 |
| Balance as at 1 July 2015 | 166,745 | (50,604) | 116,141 |
| Profit for the period, representing total comprehensive income for the period | - | 10,729 | 10,729 |
| Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange | (2,157) | - | (2,157) |
| Balance as at 30 September 2015 | 164,588 | (39,875) | 124,713 |
| Balance as at 1 July 2014 | 1 | (363) | (362) |
| Loss for the period, representing total comprehensive income for the period | - | (659) | (659) |
| Conversion of convertible loan | 11,019 | - | 11,019 |
| Issuance of new shares (IPO) | 5,000 | - | 5,000 |
| Balance as at 30 September 2014 | 16,020 | (1,022) | 14,998 |

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

| (Unaudited) | Share Capital | Accumulated Losses | Total Equity |
|--|------------------|-----------------------|-----------------|
| | MYR'000 | MYR'000 | MYR'000 |
| Balance as at 1 January 2015 | 16,020 | (46,926) | (30,906) |
| Loss for the financial period, representing total comprehensive income for the period | - | (18,104) | (18,104) |
| Conversion of convertible loan | 78,207 | - | 78,207 |
| Issuance of new shares (IPO)/net Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange | 72,518 | - | 72,518 |
| | (2,157) | - | (2,157) |
| Balance as at 30 September 2015 | 164,588 | (65,030) | 99,558 |
| Balance as at 1 January 2014 | 1 | (3,881) | (3,880) |
| Loss for the period, representing total comprehensive income for the period | - | (10,705) | (10,705) |
| Conversion of convertible loan | 11,019 | - | 11,019 |
| Issuance of new shares (IPO) | 5,000 | - | 5,000 |
| Balance as at 30 September 2014 | 16,020 | (14,586) | 1,434 |

Company

| (Unaudited) | Share Capital | Accumulated Losses | Total Equity |
|--|----------------------|---------------------------|---------------------|
| | MYR'000 | MYR'000 | MYR'000 |
| Balance as at 1 January 2015 | 16,020 | (38,027) | (22,007) |
| Loss for the period, representing total comprehensive income for the period | - | (1,848) | (1,848) |
| Conversion of convertible loan | 78,207 | - | 78,207 |
| Issuance of new shares (IPO) | 72,518 | - | 72,518 |
| Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange | (2,157) | - | (2,157) |
| Balance as at 30 September 2015 | 164,588 | (39,875) | 124,713 |
| Balance as at 1 January 2014 | 1 | (29) | (28) |
| Loss for the period, representing total comprehensive income for the period | - | (993) | (993) |
| Conversion of convertible loan | 11,019 | - | 11,019 |
| Issuance of new shares (IPO) | 5,000 | - | 5,000 |
| Balance as at 30 September 2014 | 16,020 | (1,022) | 14,998 |

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

Shares Capital – Ordinary Shares

| | Number of issued shares | Issued and paid-up share capital (MYR) |
|--|--------------------------------|---|
| Between 1 July 2015 and 30 September 2015 | 1,193,432,933 | 164,587,852 |

Note: The issued and paid-up share capital reported in 2QFY2015 was MYR169,236,706 as compared to MYR164,587,852 in 3QFY2015 due to the adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange.

Save as disclosed above, the Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2014 and 30 September 2015. There have been no awards or options granted pursuant to the GCCP Performance Share Plan and Employee Share Option Scheme.

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 September 2015 | As at 31 December 2014 |
|---|-------------------------|------------------------|
| Total number of issued shares excluding treasury shares | 1,193,432,933 | 10,000 |

**The number of shares for the financial year ended 31 December 2014 is before the effect of share split by 94,382 times on 26 February 2015 and also the placement of 122,000,000 new IPO shares as at 30 April 2015.*

The Company did not have any treasury shares as at 30 September 2015 and 30 September 2014.

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

Not applicable. The Company did not have any treasury shares during and 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. The figures have not been audited or reviewed by the Company's auditors.

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 Financial Reporting Standards ("FRSs") and amendments to FRSs applicable for the financial period beginning on or after 1 January 2015, 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 2014. The adoption of new FRSs and amendments to FRSs 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 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**

| Earnings/loss per share ("E/LPS") | Group | | | |
|--|------------------------------|----------------------------|------------------------------|----------------------------|
| | Three Months Ended | | Nine Months Ended | |
| | 30 September 2015 | 30 September 2014 | 30 September 2015 | 30 September 2014 |
| Profit/(loss) attributable to owners of the Company (MYR'000) | 221 | (8,686) | (18,104) | (10,705) |
| Weighted average number of ordinary shares used in the computation of basic and diluted loss per share | 1,110,218,927 ⁽¹⁾ | 943,820,000 ⁽²⁾ | 1,110,218,927 ⁽¹⁾ | 943,820,000 ⁽²⁾ |
| Basic and diluted earnings/(loss) per share (MYR cents) ⁽³⁾ | 0.02 | (0.92) | (1.63) | (1.13) |

Notes:

- (1) The weighted average number of shares for the financial period ended 30 September 2015 is calculated at 1,110,218,927 shares, after taking into account the effect of share split, the conversion shares arising from the convertible loan and the placement of 122,000,000 new IPO shares on 30 April 2015.
- (2) The weighted average number of shares for the period financial ended 30 September 2014 is calculated at 943,820,000 shares, after taking into account the effect of share split on 15 April 2014 and 26 February 2015 in order to better reflect position of the weighted average number of shares as per 3QFY2015 for the purposes of comparison.
- (3) The basic and diluted loss per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2015 and the impact of the convertible loans outstanding had an anti-dilutive effect on the basic loss per share for the financial period ended 30 September 2014.

7. **Net assets/(liabilities) 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 assets/(liabilities) value | Group | | Company | |
|--|----------------------|------------------------|----------------------|------------------------|
| | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 |
| Net assets/(liabilities) value attributable to the owners of the Company (MYR'000) | 99,558 | (30,906) | 124,713 | (22,007) |
| Net assets/(liabilities) per share at the end of the period (MYR)* | 0.08 ⁽¹⁾ | (3,091) ⁽²⁾ | 0.10 ⁽¹⁾ | (2,201) ⁽²⁾ |

Notes:

- (1) The calculation of net assets/(liabilities) value per ordinary share for 3QFY2015 was based on existing issued share capital of 1,193,432,933 shares.
- (2) The calculation of net assets/(liabilities) value per ordinary share for 31 December 2014 was based on the 10,000 shares, which was before the share split by 94,382 times, the conversion shares arising from the convertible loans and the placement of 122,000,000 new IPO shares, which was effected in year 2015.

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 September 2015 ("3QFY2015") as compared to the three months ended 30 September 2014 ("3QFY2014").

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue increased by 271% from MYR235,000 in 3QFY2014 to MYR873,000 in 3QFY2015, mainly due to increase in the sale of crushed precipitated calcium carbonate (PCC) stones from the Gridland Quarry. In 3Q2015, both the local and overseas sales accounted for 70% and 30% of the Group revenue, respectively.

Cost of sales

The Group recorded a 382% increase in cost of sales to MYR867,000 in 3QFY2015 as compared to MYR180,000 in 3QFY2014. The increase in cost of sales took into account the preparatory work undertaken to carve out additional faces on the cliff at Gridland Quarry for the extraction of calcium carbonate.

Other items of income

Interest income

There was an interest income of MYR125,000 in 3QFY2015 due to the placement of a fixed deposit in 3QFY2015.

Foreign exchange gain, net

The Group recorded a net foreign exchange gain of MYR0.7 million in 3QFY2015, as compared to MYR0.2 million in 3QFY2014, mainly due to the movement of funds from our Singapore Dollar bank account to Malaysia Ringgit bank account and the resulting conversion to Malaysian Ringgit from Singapore dollar.

Other items of expense

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

General and administrative expenses

General and administrative expenses comprised mainly staff-related expenses, professional fees, printing cost, office and equipment rental, depreciation of leasehold land, depreciation of machineries.

General and administrative expenses fell to MYR0.5 million in 3QFY2015, compared to MYR6.3 million in 3QFY2014. The main contributor for the decrease in 3QFY2015 was mainly attributable to the adjustment of MYR1.9 million for the IPO expenses to be capitalised against IPO proceeds which

were previously captured in the income statement whereas for 3QFY2014 the general and administrative expenses were higher mainly due to the expenses of MYR4.2 million incurred for the listing exercise undertaken by the Group which was captured in the month of September 2014. The increase of general and administrative expenses for the nine months ended 30 September 2015 was largely attributable from the losses of MYR 9.1 million incurred from the conversion of the convertible loans in April 2015.

Depreciation of property, plant and equipment charges, which is part of the general and administrative expenses, has increased 86% to MYR331,000 in 3QFY2015 from MYR178,000 in 3QFY2014 due to the purchase of property, plant and equipment.

Finance costs

Finance costs decreased to MYR86,000 in 3QFY2015 from MYR2.6 million in 3QFY2014, mainly due to the absence of interest expenses incurred from the convertible loans in 3QFY2014. These convertible loans were converted to ordinary shares in April 2015. In 3QFY2015 an additional term loan of MYR2.3 million was secured for the acquisition of office lots and new finance leases of MYR328,000 were secured for the purchase of company vehicles.

Loss before income tax

Taking the above mentioned into account, the Group recorded a profit before tax of MYR221,000 in 3QFY2015, as compared to a loss of MYR8.7 million in 3QFY2014.

Consolidated Statement of Financial Position

Non-current assets

The increase in property, plant and equipment and the prepayments for property, plant and equipment, as at 30 September 2015 compared to that as at 31 December 2014, was mainly due to the recognition of progress made in the construction of the crusher plant and the on-going preparation work for the powder plant at the Hyper Act Quarry and the purchase of 4 units of office lots under Gridland.

Prepayments for property, plant and equipment of MYR11.7 million, which were incurred for the Hyper Act site, comprised the deposit of MYR6.4 million for commissioning of a crusher plant, the cost of MYR2.7 million for the development of infrastructure, and deposits of approximately MYR2.6 million for the powder production plant.

Current assets

Current assets increased by 342% to MYR59.2 million as at 30 September 2015 from MYR13.4 million as at 31 December 2014, mainly due to the following:

- a) Increased in inventories by MYR0.9 million to MYR1.8 million arising from the building up of stock piles for future deliveries.
- b) Increase in trade and other receivables from MYR21,000 to MYR27.5 million mainly consisted of a total deposit of MYR9.2 million paid to the suppliers and contractors for the powder plant construction and construction works at the Hyper Act site, an advance payment of MYR3.3 million paid to the landfill contractor for the filling up of pond also at Hyper Act site, and an initial refundable deposit of MYR3.0 million was paid to secure the purchase of an industrial land and limestone hill which is expected to be finalised in the next quarter. In addition, an advance of MYR10.0 million was made in connection with a proposal to acquire a new limestone hill located overseas. This advance will be fully refunded to the Group in the event the proposal is not successful within the stipulated time frame agreed. An amount of MYR2.0 million was also paid as deposits for various utilities provided.

- c) Decrease in prepayments to MYR1,000 in 3QFY2015 from MYR1.9 million in 3QFY2014 was mainly due to the reclassification of various deposits paid for the work in progress of plant and equipment to the non-current assets section of the balance sheet.
- d) Increase in pledged fixed deposits of MYR26.1 million to MYR27.2 million was mainly to secure banking facilities from the bank whilst earning interest income from the unutilised cash available to the Group.
- e) Decrease in MYR6.8 million to MYR2.7 million in cash and cash equivalents mainly due to the placement of fixed deposits with the bank and deposits placed with the various vendors and contractors for the proposed acquisition of a limestone hill and industrial plot as well as the development works being carried out at the Hyper Act site.

Non-current liabilities

Non-current liabilities decreased by 85% to MYR3.5 million as at 30 September 2015 from MYR23.7 million as at 31 December 2014 due mainly to the conversion of a convertible loan of MYR20.2 million into issued shares of the Company pursuant to its listing on the Catalist (the “**Conversion**”).

Current liabilities

Current liabilities decreased by 93% to MYR3.8 million as at 30 September 2015 from MYR54.5 million as at 31 December 2014, mainly due to the conversion of convertible loans of MYR47.1 million to share capital and the decrease in trade and other payables of MYR3.4 million as a result of the prompt payments made to the trade creditors.

Consolidated Statement of Cash Flow

In 3QFY2015, the Group recorded net cash used in operating activities of MYR109,000 as compared to MYR4.5 million in 3QFY2014.

The net operating cash outflow comprised operating cash inflow before changes in working capital of MYR64,000 after adjusting for working capital outflow of MYR212,000, net interest paid of MYR86,000, and partially offset by interest received of MYR125,000. The working capital outflow was mainly due to:

- (a) decrease in trade and other receivables of MYR4.0 million due to the MYR0.6 million due from trade debtors and the balance of MYR3.4 million paid as deposits for the arrangement of various utilities to the Hyper Act site; and
- (b) decrease in trade and other payables of MYR4.3 million due to the prompt payment made to the trade creditors of the Group.

Net cash used in investing activities in 3QFY2015 amounted to MYR25.8 million, arising from the acquisition of property, plant and equipment as well as the advance and deposits paid for the acquisition of property, plant and equipment.

Net cash used in financing activities of MYR28.4 million in 3QFY2015 arose from the placement of MYR26.1 million in pledged fixed deposits, an adjustment of MYR2.1 million from the proceeds from the placement of new shares for its Catalist listing, resulted from the capitalisation of the expenses related to the listing exercise together with the differences arising from foreign exchange translation. There was also a repayment of MYR0.2 million in term loan and finance leases obligation.

As at 30 September 2015, the Group’s cash and cash equivalents stood at MYR2.7 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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 has recorded an increase in the sale of crushed precipitated calcium carbonate (PCC) in 3QFY2015. Along with this, the Group has also secured new orders from existing customers both locally and overseas, which should support revenue growth going forward.

The Group currently exports crushed PCC to Indonesia, and is actively seeking opportunities to expand its overseas revenue stream and is making concerted efforts to market its products to prospective customers in the Asia region.

The Group is on schedule to begin production of crushed ground calcium carbonate (GCC) by the end of 2015, and is currently in negotiation with prospective customers for the supply of crushed GCC.

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

No interim dividend for the third quarter ended 30 September 2015 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 was no IPT with value of more than S\$100,000 entered into during the financial period.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$23.2 million (excluding listing expenses of approximately S\$4.9 million raised from the IPO on the Catalist Board of the SGX-ST on 30 April 2015).

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

| <u>Use of IPO Net Proceeds</u> | <u>Amount allocated (S\$'000)</u> | <u>Amount Utilised (S\$'000)</u> | <u>Balance (S\$'000)</u> |
|--|--|---|-------------------------------------|
| Development of the Hyper Act Quarry | 15,000 | 8,000 | 7,000 |
| Working Capital ⁽¹⁾ | 8,232 | 5,000 | 3,232 |
| Expenses incurred in connection with the Placement | 4,828 | 4,828 | - |
| Total | 28,060 | 17,828 | 10,232⁽²⁾ |

Notes:

- 1) Working capital utilised consisted of approximately S\$3.0 million paid as a refundable advance to secure the acquisition of a new limestone hill in South East Asia and S\$2.0 million used for general and administrative expenses in 3QFY2015.
- 2) Out of the total unused balance of S\$10.2 million from the IPO proceeds, an amount of MYR26 million was placed in the bank as pledged deposits for the Group to secure some banking facilities.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

15a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For the quarter ended 30 September 2015 (“3QFY2015”), funds / cash were mainly used for the following activities:-

| Purpose | Projected usage amount (MYR) | Actual usage amount for three months ended 30 September 2015 (MYR) | Actual Usage amount for nine months ended 30 September 2015 (MYR) |
|---|-------------------------------------|---|--|
| Progressive payment for the powder plant | 6,000,000 | 3,000,000 | 5,600,000 |
| Progressive payment for crusher plant | 3,000,000 | 1,200,000 | 7,600,000 |
| Development cost | 3,000,000 | 7,842,000 | 10,842,000 |
| Payments for industrial land and limestone hill | 21,000,000 | 3,000,000 | 3,000,000 |
| Refundable advance for new limestone project in South East Asia | - | 10,000,000 | 10,000,000 |
| Renovation of new office lots | - | 620,000 | 620,000 |
| Total | 33,000,000 | 25,662,000 | 37,662,000 |

Note: With reference to our announcements dated 12 June 2015 and 6 August 2015, deposits paid for power and crusher plants of Hyper Act quarry and land filling for new industrial land had been fully paid at MYR6.0 million, MYR3.0 million and MYR3.0 million respectively.

Variance Explanation:

The Hyper Act powder plant project has entered into the early stage of the projected plan with more orders of equipment and construction works in progress. This has resulted in the utilisation of the funds as shown above which is within the projected usage. The crusher plant of Hyper Act quarry is also expected to be completed within the next quarter according to the schedule set and the Group is expected to make the full payment for the crusher.

The negotiation for the purchase of the industrial land and a limestone hill is almost completed and expected to be concluded in the next quarter (the “**Acquisition**”). As at the date of this announcement, a refundable deposit of MYR3.0 million had been paid to the vendor for the Acquisition in order to lock-in and secure the intended price amid the volatility of the Malaysia Ringgit currency which has a major impact to the value of these properties. The remaining balance payment for the Acquisition will be disbursed upon entering into a definitive agreement.

The actual development cost has exceeded the projection due to the additional loads of earth required for the land filling works ongoing at Hyper Act site.

A refundable advance of MYR10.0 million was made for the proposal to acquire a limestone hill in one of the country situated in the South East Asia. The money will be refunded to the Group if the proposal do not materialise within a stipulated timeframe.

Renovation was completed for the new corporate office of the Group and the total cost was at MYR620,000.

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 October 2015 to 31 December 2015 (“**4QFY2015**”), the Company’s use of funds/cash for development activities are expected to be as follows:-

| Purpose | Projected Usage Amount (MYR) |
|--|-------------------------------------|
| Progressive payment for the powder plant | 1,000,000 |
| Progressive payment for crusher plant | 4,500,000 |
| Development cost | 3,000,000 |
| Payment for Acquisition | 9,000,000 |
| Total | 17,500,000 |

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.

15b. 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.

16a. 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;

The back filling of the ponds at Hyper Act site for the construction of the crusher had been completed. Piling works to strengthen the landfill area for the crushing plant has also been completed. As at the date of this announcement the construction of crusher plant has entered into the final stage and the building for the power station and also the structure of the crusher plant had been erected. The crusher plant is targeted to be up and operational in the final quarter of this year according to schedule set earlier. The Company has already secured the orders of the vertical type of grinding equipment system and the commissioning of the system. The equipment will be commissioned and imported thereafter once the purchase of the industrial land is completed. This project is presently managed and coordinated by the Group's Chief Operating Officer with a team of expert consultants and engineers under him. The team has also finalized the plan for the factory layout. The construction of the factory will also commence once the purchase of the intended industrial land is completed.

A summary of the expenditure at Hyper Act quarry site incurred up to 3QFY2015 for the aforementioned activities are as follows:-

| | Amount (MYR'000) |
|---|-------------------------|
| Deposits and progressive payment for power and crusher plants and equipment | 14,700 |
| Land filling and development cost | 6,300 |
| Total | 21,000 |

16b. 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 2 February 2015. A copy of the IQPR can be found in the Company's Offer Document dated 20 April 2015.

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 their attention which may render the unaudited financial statements of the Company and the Group for the third quarter ended 30 September 2015 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
9 November 2015