

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the Third Quarter Period Ended 30 September 2016

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 Joseph Au, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318.

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 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000	Change %	30 September 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000	Change %
Revenue	3,466	873	297	9,157	1,049	773
Cost of sales	(1,933)	(867)	123	(4,214)	(1,010)	317
Gross profit	1,533	6	n.m.	4,943	39	n.m.
Other items of income						
Interest income	213	125	70	586	146	301
Rental of equipment	99	-	n.m.	232	-	n.m.
Foreign exchange gain, net	-	662	n.m.	-	2,334	n.m.
Items of expense						
Foreign exchange loss, net	(28)	-	n.m.	(16)	-	n.m.
General and administrative expenses	(3,613)	(486)	643	(13,613)	(20,403)	(33)
Finance costs	(460)	(86)	435	(1,381)	(220)	528
(Loss)/profit before tax	(2,256)	221	n.m.	(9,249)	(18,104)	(49)
Income tax expense	-	-	-	-	-	-
(Loss)/profit for the period, representing total comprehensive (loss)/income attributable to owners of the Company	(2,256)	221	n.m.	(9,249)	(18,104)	(49)

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

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000	Change %	30 September 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000	Change %
Interest income	213	125	70	586	146	301
Rental of equipment income	99	-	n.m.	232	-	n.m.
Finance costs	(460)	(86)	435	(1,381)	(220)	528
Loss on conversion of convertible loan	-	-	-	-	(9,079)	n.m.
(Loss)/gain on disposal of property, plant and equipment	(35)	-	n.m.	33	-	n.m.
Amortisation of leasehold lands	(599)	(200)	200	(1,500)	(580)	159
Depreciation of property, plant and equipment	(673)	(331)	103	(1,794)	(948)	89
Foreign exchange (loss)/gain, net	(28)	662	(104)	(16)	2,334	(101)
Exploration expenditure	(1,003)	-	n.m.	(1,963)	(465)	322

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 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000	30 September 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	93,988	55,717	-	-
Prepayments for property, plant and equipment	-	9,090	-	-
Investments in subsidiaries	-	-	8,500	5,000
	<u>93,988</u>	<u>64,807</u>	<u>8,500</u>	<u>5,000</u>
Current assets				
Inventories	752	574	-	-
Trade and other receivables	14,380	15,356	108,944	105,482
Pledged deposits	21,329	1,102	-	-
Income tax recoverable	2	1	-	-
Cash and short-term deposits	255	21,554	238	1,268
	<u>36,718</u>	<u>38,587</u>	<u>109,182</u>	<u>106,750</u>
Total assets	<u>130,706</u>	<u>103,394</u>	<u>117,682</u>	<u>111,750</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	14,021	5,605	645	951
Loans and borrowings	4,739	9,064	-	-
	<u>18,760</u>	<u>14,669</u>	<u>645</u>	<u>951</u>
Net current assets	<u>17,958</u>	<u>23,918</u>	<u>108,537</u>	<u>105,799</u>
Non-current liability				
Loans and borrowings	27,298	3,060	-	-
Total liabilities	<u>46,058</u>	<u>17,729</u>	<u>645</u>	<u>951</u>
Net assets	<u>84,648</u>	<u>85,665</u>	<u>117,037</u>	<u>110,799</u>
Equity attributable to owners of the Company				
Share capital	164,588	164,588	164,588	164,588
Treasury shares	(9,086)	(13,011)	(9,086)	(13,011)
Other reserves	4,307	-	4,307	-
Accumulated losses	(75,161)	(65,912)	(42,772)	(40,778)
Total equity	<u>84,648</u>	<u>85,665</u>	<u>117,037</u>	<u>110,799</u>
Total equity and liabilities	<u>134,801</u>	<u>103,394</u>	<u>117,682</u>	<u>111,750</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 September 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
4,739	-	9,064	-

Amount repayable after one year

As at 30 September 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
27,298	-	3,060	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2016 (Unaudited)	As at 31 December 2015 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	606	857	Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group.
Term loans	22,851	-	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	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	1,974	2,146	Charges on the leasehold quarry lands and office units, charge on pledged deposits and severally guaranteed by the executive directors of the Group.
Obligations under finance leases	713	1,080	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group
Bank overdrafts	3,893	8,041	Charge on the leasehold quarry lands, pledged deposits and jointly and severally guaranteed by executive directors of the Group.
	<u>32,037</u>	<u>12,124</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 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000	30 September 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000
Operating activities				
(Loss)/profit before income tax	(2,256)	221	(9,249)	(18,104)
Adjustments for:				
Amortisation of leasehold lands	599	200	1,500	580
Depreciation of property, plant and equipment	673	331	1,794	948
Exploration expenditure	1,003	-	1,963	465
Loss on conversion of convertible loan	-	-	-	9,079
Loss/(gain) on disposal of property, plant and equipment	35	13	(33)	13
Interest income	(213)	(125)	(586)	(146)
Foreign exchange loss/(gain), net	28	(662)	16	(2,334)
Finance costs	460	86	1,381	220
Operating cash flows before changes in working capital	329	64	(3,214)	(9,279)
Changes in working capital				
Decrease/(increase) in trade and other receivables	1,831	3,975	976	(901)
Increase in prepayments	-	(1)	-	(244)
Decrease/(increase) in inventories	173	24	(178)	(897)
(Decrease)/increase in trade and other payables	(350)	(4,298)	2,489	(3,786)
Net changes in working capital	1,654	(300)	3,287	(5,828)
Cash generated from/ (used in) operations	1,983	(236)	73	(15,107)
Exploration expenditure	(1,003)	-	(1,963)	(465)
Interest received	213	125	586	146
Interest paid	(460)	(86)	(1,381)	(220)
Income tax refunded	-*	-	1	-
Net cash generated from/(used in) operating activities	733	(197)	(2,684)	(15,646)
Investing activities				
Purchase of property, plant and equipment	(2,516)	(1,236)	(22,742)	(15,281)
Proceeds from disposal of property, plant and equipment	-	-	300	-
Prepayments for acquisition of property, plant and equipment	-	(24,426)	-	(24,426)
Net cash used in investing activities	(2,516)	(25,662)	(22,442)	(39,707)
Financing activities				
Proceeds from initial public offering ("IPO") of ordinary shares	-	-	-	72,518
Adjustment of proceeds from IPO for IPO expenses and foreign exchange	-	(2,157)	-	(2,157)
Purchase of treasury shares	-	-	(1,768)	-
Proceeds from term loan	8,891	-	24,851	2,300
Repayment of term loans	(209)	(139)	(425)	(333)
Proceeds from finance leases	-	90	-	328
Repayment of obligations under finance leases	(70)	(102)	(366)	(261)
Loan from a director	-	-	11,077	-
Repayment of loan from a director	(5,150)	-	(5,150)	-
Placement of pledged deposits	(6)	(26,125)	(20,228)	(26,145)
Net cash generated from/(used in) financing activities	3,456	(28,433)	7,991	46,250

Net increase/(decrease) in cash and cash equivalents	1,673	(54,292)	(17,135)	(9,103)
Cash and cash equivalents at beginning of period	(5,283)	56,318	13,513	9,457
Effect of exchange rate changes on cash and cash equivalents	(28)	662	(16)	2,334
Cash and cash equivalents at end of the period (Note A)	(3,638)	2,688	(3,638)	2,688

* Amount less than MYR500

Note A: Cash and cash equivalents

Group		
Three months ended		
	30 September 2016 (Unaudited) MYR'000	30 September 2015 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	255	2,688
Bank overdraft	(3,893)	-
Cash and cash equivalents as per statement of cash flow	(3,638)	2,688

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

3QFY2016 (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 July 2016	164,588	(72,905)	(9,086)	4,307	86,904
Loss for the period, representing total comprehensive loss for the period	-	(2,256)	-	-	(2,256)
Balance as at 30 September 2016	<u>164,588</u>	<u>(75,161)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>84,648</u>
Balance as at 1 July 2015	166,745	(65,251)	-	-	101,494
Profit for the period, representing total comprehensive loss for the period	-	221	-	-	221
Adjustment of proceeds from IPO for IPO expenses and foreign exchange	(2,157)	-	-	-	(2,157)
Balance as at 30 September 2015	<u>164,588</u>	<u>(65,030)</u>	<u>-</u>	<u>-</u>	<u>99,558</u>

Company

3QFY2016 (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 July 2016	164,588	(44,131)	(9,086)	4,307	115,678
Profit for the period, representing total comprehensive loss for the period	-	1,359	-	-	1,359
Balance as at 30 September 2016	<u>164,588</u>	<u>(42,772)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>117,037</u>
Balance as at 1 July 2015	166,745	(50,604)	-	-	116,141
Profit for the period, representing total comprehensive loss for the period	-	10,729	-	-	10,729
Adjustment of IPO proceeds for IPO expenses and foreign exchange	(2,157)	-	-	-	(2,157)
Balance as at 30 September 2015	<u>164,588</u>	<u>(39,875)</u>	<u>-</u>	<u>-</u>	<u>124,713</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 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.**

Share Capital – Ordinary Shares

	Number of issued shares	Share capital (MYR)
Balance as at 30 June 2016 and 30 September 2016	1,169,445,976	155,501,496

As at 30 September 2016, the Company held 23,986,957 treasury shares (30 September 2015: Nil).

The Company did not have any outstanding convertibles as at 30 September 2016 and 30 September 2015. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or GCCP 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 2016	As at 31 December 2015
Total number of issued shares excluding treasury shares	1,169,445,976	1,160,032,933

- 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.**

There were no sales, transfers, disposals, cancellation and/or use of 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.

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 2016, 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 2015. 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**

Earnings/ Loss per share ("LPS")/ ("EPS")	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2016 (Unaudited)	30 September 2015 (Unaudited)	30 September 2016 (Unaudited)	30 September 2015 (Unaudited)
(Loss)/profit attributable to owners of the Company (MYR'000)	(2,256)	221	(9,249)	(18,104)
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	1,169,445,976 ⁽¹⁾	1,110,218,927 ⁽²⁾	1,165,327,088 ⁽¹⁾	1,110,218,927 ⁽²⁾
Basic and diluted LPS/EPS (MYR cents) ⁽³⁾	(0.19)	0.02	(0.79)	(1.63)

Notes:

- (1) The weighted average number of shares for the respective financial periods; three months ended 30 September 2016 is based on the existing number of shares in issue and for period of nine months ended 30 September 2016 is calculated after taking into account the effects of Company share buy backs 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**").
- (2) The weighted average number of shares for the respective financial periods ended 30 September 2015 are calculated after taking into account the effects of share split, the conversion shares arising from the convertible loan and the placement of IPO shares.
- (3) The basic and diluted LPS and EPS are the same as there were no potentially dilutive securities in issue as at 30 September 2016 and 30 September 2015 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 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2016 (Unaudited)	31 December 2015 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	84,648	85,665	117,037	110,799
Net asset per share at the end of the period (MYR)*	0.07	0.07	0.10	0.10

* The calculation of net asset value per ordinary share was based on 1,169,445,976 shares as at 30 September 2016 and 1,160,032,933 as at 31 December 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 2016 ("3QFY2016") as compared to the three months ended 30 September 2015 ("3QFY2015").

Consolidated Statement of Comprehensive Income

Revenue

The Group reported an increase in revenue to MYR3.5 million in 3QFY2016 compared to MYR0.8 million in 3QFY2015, on the back of improved sales momentum for crushed stones from Gridland Quarry.

Cost of sales

In line with the revenue increase, cost of sales rose to MYR1.9 million in 3QFY2016 as compared to MYR0.8 million in 3QFY2015, mainly as a result of the increased blasting, extraction and crushing activities at Gridland quarry site.

Gross profit

Consequently, gross profit in 3QFY2016 was MYR1.5 million (gross profit margin: 44%), compared to MYR6,000 in 3QFY2015 (gross profit margin: 0.7%). The higher gross profit margin was mainly due to greater economies of scale in line with the higher production.

Other items of income

Interest income

Interest income in 3QFY2016 was MYR0.2 million as compared to MYR0.1 million in 3QFY2015, mainly due to the additional placement of fixed deposits of approximately MYR20.2 million since middle of 3QFY2015.

Rental of equipment

Income of MYR0.1 million in 3QFY2016 was derived from the rental of site equipment to our quarry contractor commencing since March 2016. There was no rental income in 3QFY2015.

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 MYR28,000 was recorded in 3QFY2016, as compared to a foreign exchange gain of MYR0.7 million in 3QFY2015. This was mainly a result of the weakening of the Malaysian Ringgit against the Singapore Dollar, which affected funds that were converted from Malaysian Ringgit to Singapore Dollar.

General and administrative expenses

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

General and administrative expenses (“**G&A Expenses**”) recorded an increase of MYR3.1 million to MYR3.6 million in 3QFY2016, as compared to MYR0.5 million in 3QFY2015 mainly due to:-

1. the capitalization of the IPO expenses of MYR1.9 million against IPO proceeds, previously accounted in the general and administrative expenses of the income statement in 3QFY2015;
2. the increase in depreciation expense of MYR0.4 million to MYR0.7 million in 3QFY2016, as compared to MYR0.3 million in 3QFY2015, due to purchases of additional machinery and equipment from 30 September 2015 to 30 September 2016;
3. the increase in amortization of leasehold land of MYR0.4 million to MYR0.6 million in 3QFY2016 from MYR0.2 million in 3QFY2015 due to the Land Acquisitions;
4. the forwarding charges of MYR0.2 million incurred for the export sales in 3QFY2016 but was not incurred in 3QFY2015;
5. the export sales commission of MYR0.1 million paid in 3QFY2016; and
6. the increase in salary and wages of MYR0.1 million from MYR0.4 million in 3QFY2015 to MYR0.5 million in 3QFY2016.

Other items in G & A Expenses remained relatively unchanged as at 3QFY2016 when compared to 3QFY2015.

Finance costs

Finance costs incurred were with respect to the interest charged on term loans, obligations under finance leases and bank overdrafts. Finance costs increased to MYR0.5 million in 3QFY2016 from MYR0.1 million in 3QFY2015, mainly due to the interest incurred from the utilisation of term loans, finance leases and bank overdraft facilities totalling to approximately MYR32.0 million in 3QFY2016 as compared to MYR4.3 million in 3QFY2015.

Loss before income tax

Based on the above, the Group recorded a loss before tax of MYR2.3 million in 3QFY2016, as compared to a profit of MYR0.2 million in 3QFY2015.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased from MYR64.8 million as at 31 December 2015 to MYR94.0 million as at 30 September 2016 due to the addition in machinery and equipment of MYR8.8 million, capitalisation of development costs of MYR3.0 million and MYR20.7 million consideration paid for the Land Acquisitions, net of depreciation of MYR3.3 million.

Current assets

As at 30 September 2016, current assets were at MYR40.8 million as compared to MYR38.6 million as at 31 December 2015.

Current assets comprised:

- a) Inventories of MYR0.8 million as at 30 September 2016 as compared to MYR0.6 million as at 31 December 2015. The increase was due to the increased in production of crushed stones at Gridland Quarry to meet the increase in orders from export customer.
- b) Trade and other receivables of MYR14.4 million as at 30 September 2016 as compared to MYR15.4 million as at 31 December 2015. The decrease was mainly due to the expense of deposits paid to contractors amounting MYR1.0 million for work completed at Hyper Act site previously recognised as deposits.

- c) Pledged deposits have increased to MYR21.3 million as at 30 September 2016 from MYR1.1 million as at 31 December 2015 due to the pledging of fixed deposits of MYR20.2 million for the securement of banking facilities for the Land Acquisitions.
- d) Cash and short-term deposits reduced to MYR0.3 million as at 30 September 2016 from MYR21.6 million as at 31 December 2015 mainly due to the pledging of fixed deposits of MYR20.2 million for the securement of banking facilities.

Non-current liability

As at 30 September 2016, non-current liability consisted of obligations under finance leases of MYR0.5 million and term loans of MYR26.8 million. The increase in non-current liability as compared to MYR3.1 million as at 31 December 2015 was mainly due to the new term loans being drawn down in 3QFY2016 for the Land Acquisitions and additional financing of the plant and machinery for Hyper Act Quarry.

Current liabilities

As at 30 September 2016, current liabilities stood at MYR18.8 million as compared to MYR14.7 million as at 31 December 2015. The increase was mainly due to a MYR5.9 million interest-free loan from a director and net off the repayment made to trade and other creditors.

Current liabilities comprised:

- a) Trade and other payables of MYR14.0 million as at 30 September 2016 as compared to MYR5.6 million as at 31 December 2015. Out of the MYR14.0 million, trade payables amounted to MYR7.6 million which were mainly owing to contractors, service providers and suppliers. Other payables amounted to MYR6.4 million which comprised a MYR5.9 million interest free loan due to a director and MYR0.5 million accrued for professional fees and other operating expenses.
- b) Loans and borrowings decreased to MYR4.7 million as at 30 September 2016 from MYR9.1 million as at 31 December 2015, mainly due to the partial repayment of bank overdraft in 3QFY2016.

Consolidated Statement of Cash Flow

In 3QFY2016, the Group recorded net cash generated from operating activities of MYR0.7 million as compared to net cash used of MYR0.2 million in 3QFY2015.

The net cash used in operating activities comprised operating cash generated before changes in working capital of MYR0.3 million adjusted for net working capital inflows of MYR1.7 million, interest paid of MYR0.5 million, interest received of MYR0.2 million and exploration expenditure of MYR1.0 million.

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

- (a) a decrease in trade and other receivables of MYR1.8 million. The increase was mainly due to the expensed of deposits to contractors for work done in 3QFY2016;
- (b) a decrease in inventories of MYR0.2 million arising from the increase in deliveries; and
- (c) a decrease in trade and other payables of MYR0.4 million due to payments made to suppliers and other creditors that was due in the previous corresponding quarter.

In 3QFY2016, net cash used in investing activities amounted to MYR2.5 million which arose from the acquisition of property, plant and equipment.

Net cash generated from financing activities amounted to MYR3.5 million in 3QFY2016, mainly attributable to the partial drawdown of term loans amounting to MYR8.9 million, offset by the repayment of term loans and finance leases of MYR0.3 million and the repayment of loan to director of MYR5.2 million.

As at 30 September 2016, the Group's cash and cash equivalents was a deficit of MYR3.6 million after netting off MYR0.3 million cash and short-term deposits as shown in the statement of financial position against the bank overdraft of MYR3.9 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 the Group's discussion presented under Section 10 of the Company's unaudited financial results announcement for the second quarter ended 30 June 2016, dated 11 August 2016. However for the contribution from Hyper Act quarry which was mentioned in the last quarter financial results announcement, it has not materialised due to some changes in the mining plan which has caused a delay to the original timeline but will result in a more efficient and effective approach towards maximising its productivity in the long run.

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.

Following the acquisition of the two calcium carbonate hills and an industrial land parcel at the end of 2QFY2016, the Group has been focused on developing and implementing the most effective and efficient approach towards maximising its productivity. While the implementation of such an approach has caused a deviation from the target income generation timeline, the new approach mainly concentrates on increasing the faces for the extraction of rocks and also the building of a comprehensive infrastructure within the Hyper Act site from the very beginning to prevent any interruption of feeds to the crushing plant at the later stage of production. The Group expects this further development of the site to yield greater and more sustainable benefits in the long run.

Demand for Gridland Quarry's PCC stones remains healthy. As reported in 2QFY2016, the Group was in the midst of formalizing a contract with an existing customer which we are currently delivering on a purchase order basis. The Group expects negotiations to complete before the close of the year, and will keep shareholders updated, via SGXNet, on any significant developments.

The Hyper Act Quarry's GCC stones continue to receive interest, and several prospective clients are in the midst of testing the stones for consistency. The Group is hopeful of receiving orders from these clients once consistency has been confirmed, The Group will continue to work with these clients to confirm orders, following which Hyper Act will be able to contribute positively to the Group.

In consideration of the above, the Group is looking forward to achieving improvement in its performance in the ensuing quarters of 2016.

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 third quarter ended 30 September 2016 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.

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 3QFY2016, funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Progressive payment for the powder plant	4,000,000	-
Progressive payment for crusher plant	1,000,000	1,000,000
Development cost	1,000,000	1,000,000
Total	6,000,000	2,000,000

Variance Explanation:

Payment for the powder plant project in the calcium carbonate quarry acquired under the Land Acquisitions was further deferred pending the finalization of the project plan design and layout. The demolition of the old factory building has recently been completed by the previous owner. Preparation and arrangement for the piling work are in progress.

As mentioned previously for prudent financial planning, the Group has arrived to an agreement with the contractor of the crusher plant at the Hyper Act Quarry site, to separate the balance due into a few instalments upon achieving the desired capacity and stability of the crusher. As at the date of this announcement, a balance of MYR2 million for the crusher plant remains outstanding. .

Consistent with the projection, MYR1.0 million was incurred at Hyper Act site for development activities

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 2016 to 31 December 2016 (“4QFY2016”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Progressive payment for the powder plant	2,000,000 ⁽¹⁾
Progressive payment for crusher plant	1,000,000
Development cost	1,000,000
Total	4,000,000

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.

Note:

(1) The projected amount is for the progress deposits required by the suppliers and new deposit for the planned construction works.

14b. Rule 705 (6)(b) of the Catalyst 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 Catalyst 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;

Access road works into the quarry area of Hyper Act site as reported last quarter was near to completion. Hyper Act Quarry is in the midst of building its stock pile and regular testing of samples are underway to ensure consistency of quality product before accepting of orders. The Company has yet to finalize the design and planning of the powder plant project and only expects to commence the construction work for the powder plant once they are finalized. The demolition work of the old factory building has just been completed by the previous owner at the end of this quarter.

A summary of the expenditure at Hyper Act Quarry incurred in 3QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Development of access roads and clearance of overburden	1,000
Exploration expenditure	-
Total:	1,000

Gridland Quarry has incurred MYR1.0 million for exploration activities which involved drilling and extraction of samples in the current quarter under review.

A summary of the expenditure at Gridland quarry site incurred in 3QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	1,003
Total:	1,003

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 2016 and supplemental IQPR dated 17 August 2016 in relation to the increase of mineral resources pursuant to the Land Acquisitions.

A copy of the IQPR and supplemental IQPR can be found in the Company's Annual Report 2015 and announcement dated 19 August 2016 respectively.

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 third quarter ended 30 September 2016 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
11 November 2016