

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the First Quarter Period Ended 31 March 2017

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 Catalyst. 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.

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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 | | |
| | 31 March 2017 (Unaudited) MYR'000 | 31 March 2016 (Unaudited) MYR'000 | Change % |
| Revenue | 3,002 | 3,271 | (8) |
| Cost of sales | (483) | (1,206) | (60) |
| Gross profit | 2,519 | 2,065 | 22 |
| Other items of income | | | |
| Interest income | 215 | 182 | 18 |
| Rental of equipment | 191 | - | n.m. |
| Items of expense | | | |
| Foreign exchange loss, net | - | (2) | n.m. |
| General and administrative expenses | (2,600) | (4,467) | (42) |
| Finance costs | (558) | (409) | 36 |
| Loss before tax | (233) | (2,631) | (91) |
| Income tax expense | - | - | |
| Loss for the period, representing total comprehensive loss attributable to owners of the Company | (233) | (2,631) | (91) |

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

| | Group | | |
|---|--|--|---------------------|
| | Three Months Ended | | |
| | 31 March 2017 (Unaudited) MYR'000 | 31 March 2016 (Unaudited) MYR'000 | Change % |
| Interest income | 215 | 182 | 18 |
| Rental of equipment income | 191 | - | n.m. |
| Finance costs | (558) | (409) | 36 |
| Gain on disposal of property, plant and equipment | 1,097 | - | n.m. |
| Amortisation of leasehold lands | (630) | (307) | 105 |
| Depreciation of property, plant and equipment | (687) | (464) | 48 |
| Exploration expenditure | (601) | (400) | 102 |

n.m. – not meaningful

* Amount less than MYR500

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 | |
|---|--|---|--|---|
| | 31 March 2017 (Unaudited) MYR'000 | 31 December 2016 (Audited) MYR'000 | 31 March 2017 (Unaudited) MYR'000 | 31 December 2016 (Audited) MYR'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 97,918 | 96,696 | - | - |
| Investments in subsidiaries | - | - | 3,500 | 3,500 |
| | <u>97,918</u> | <u>96,696</u> | <u>3,500</u> | <u>3,500</u> |
| Current assets | | | | |
| Inventories | 2,399 | 1,027 | - | - |
| Trade and other receivables | 12,461 | 14,234 | 112,580 | 112,361 |
| Pledged deposits | 21,345 | 21,336 | - | - |
| Income tax recoverable | 1 | 2 | - | - |
| Cash and short-term deposits | 518 | 20 | 5 | 3 |
| | <u>36,724</u> | <u>36,619</u> | <u>112,585</u> | <u>112,364</u> |
| Total assets | <u>134,642</u> | <u>133,315</u> | <u>116,085</u> | <u>115,864</u> |
| EQUITY AND LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 9,329 | 7,684 | 1,574 | 2,894 |
| Loans and borrowings | 11,995 | 10,345 | - | - |
| | <u>21,324</u> | <u>18,029</u> | <u>1,574</u> | <u>2,894</u> |
| Net current assets | <u>15,400</u> | <u>18,590</u> | <u>111,011</u> | <u>109,470</u> |
| Non-current liabilities | | | | |
| Amount due to a director | 5,408 | 5,627 | - | - |
| Loans and borrowings | 24,545 | 26,060 | - | - |
| | <u>29,953</u> | <u>31,687</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>51,277</u> | <u>49,716</u> | <u>1,574</u> | <u>2,894</u> |
| Net assets | <u>83,365</u> | <u>83,599</u> | <u>114,511</u> | <u>112,970</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 | (76,444) | (76,210) | (45,298) | (46,839) |
| Total equity | <u>83,365</u> | <u>83,599</u> | <u>114,511</u> | <u>112,970</u> |
| Total equity and liabilities | <u>134,642</u> | <u>133,315</u> | <u>116,085</u> | <u>115,864</u> |

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

Amount repayable in one year or less, or on demand

| As at 31 March 2017 (Unaudited) | | As at 31 December 2016 (Audited) | |
|------------------------------------|----------------------|-------------------------------------|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 11,995 | - | 10,153 | - |

Amount repayable after one year

| As at 31 March 2017 (Unaudited) | | As at 31 December 2016 (Audited) | |
|------------------------------------|----------------------|-------------------------------------|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 24,545 | - | 26,060 | - |

Details of any collateral

The secured loans and borrowings comprised:

| | As at 31 March 2017 (Unaudited) | As at 31 December 2016 (Audited) | Secured by |
|--|---------------------------------------|--|--|
| | MYR'000 | MYR'000 | |
| Term loans | 428 | 517 | Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group. |
| Term loans | 25,371 | 25,371 | Charges on 2 plots of leasehold quarry lands, a crusher plant, two units of excavators, pledged deposits, an executive director's guarantee and corporate guarantee. |
| Term loans | 2,000 | 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 | 1,891 | 1,917 | Charges on the leasehold quarry lands and office units, charge on pledged deposits, jointly and severally guaranteed by the executive directors of the Group. |
| Obligations under finance leases | 2,172 | 1,764 | Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group. |
| Bank overdrafts | 4,678 | 4,644 | Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group. |
| | <u>36,540</u> | <u>36,213</u> | |

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

| | Group | |
|--|--|--|
| | Three Months Ended | |
| | 31 March 2017 (Unaudited) MYR'000 | 31 March 2016 (Unaudited) MYR'000 |
| Operating activities | | |
| Loss before income tax | (233) | (2,631) |
| <u>Adjustments for:</u> | | |
| Amortisation of leasehold lands | 630 | 464 |
| Depreciation of property, plant and equipment | 687 | 307 |
| Exploration expenditure | 601 | 400 |
| Write off of property, plant and equipment | 8 | - |
| Gain on disposal of property, plant and equipment | (1,097) | - |
| Interest income | (215) | (182) |
| Foreign exchange loss/(gain), net | -* | (28) |
| Finance costs | 558 | 409 |
| Operating cash flows before changes in working capital | 939 | (1,261) |
| <u>Changes in working capital</u> | | |
| Decrease/(increase) in trade and other receivables | 1,773 | (2,792) |
| Increase in inventories | (1,373) | (131) |
| Increase in trade and other payables | 1,453 | 4,889 |
| Net changes in working capital | 1,853 | 1,966 |
| Cash generated from operations | 2,792 | 705 |
| Exploration expenditure | (601) | (400) |
| Interest received | 215 | 182 |
| Interest paid | (558) | (409) |
| Income tax refunded | 1 | -* |
| Net cash generated from operating activities | 1,849 | 78 |
| Investing activities | | |
| Purchase of property, plant and equipment (Note A) | (2,925) | (8,815) |
| Proceeds from disposal of property, plant and equipment | 2,021 | - |
| Net cash used in investing activities | (904) | (8,815) |
| Financing activities | | |
| Purchase of treasury shares | - | (1,768) |
| Repayment of term loans | (115) | (105) |
| Repayment of obligations under finance leases | (139) | (116) |
| Repayment of loan to a director | (218) | - |
| Placement of pledged deposits | (8) | (7) |
| Net cash used in financing activities | (480) | (1,996) |
| Net increase/(decrease) in cash and cash equivalents | 465 | (10,733) |
| Cash and cash equivalents at beginning of period | (4,625) | 13,513 |
| Effect of exchange rate changes on cash and cash equivalents | -* | 30 |
| Cash and cash equivalents at end of the period (Note B) | (4,160) | 2,810 |

* Amount less than MYR500

Note A: Purchases of property, plant and equipment

| Group | | |
|--|--|--|
| Three months ended | | |
| | 31 March 2017 (Unaudited) MYR'000 | 31 March 2016 (Unaudited) MYR'000 |
| Additions to property, plant and equipment deposits as per statement of financial position | 3,472 | 8,815 |
| Less: Purchase under hire purchase | (547) | - |
| Cash and cash equivalents as per statement of cash flow | (2,925) | 8,815 |

Note B: Cash and cash equivalents

| Group | | |
|---|--|--|
| Three months ended | | |
| | 31 March 2017 (Unaudited) MYR'000 | 31 March 2016 (Unaudited) MYR'000 |
| Cash and short-term deposits as per statement of financial position | 518 | 20,784 |
| Bank overdraft | (4,678) | (17,974) |
| Cash and cash equivalents as per statement of cash flow | (4,160) | 2,810 |

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

| 1QFY2017 (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 January 2017 | 164,588 | (76,211) | (9,086) | 4,307 | 83,598 |
| Loss for the period, representing total comprehensive loss for the period | - | (233) | - | - | (233) |
| Balance as at 31 March 2017 | <u>164,588</u> | <u>(76,444)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>83,365</u> |
| Balance as at 1 January 2016 | 164,588 | (65,912) | (13,011) | - | 85,665 |
| Loss for the period, representing total comprehensive loss for the period | - | (2,631) | - | - | (2,631) |
| Treasury shares reissued pursuant to acquisition of lands | - | - | 5,693 | 4,307 | 10,000 |
| Purchase of treasury shares | - | - | (1,768) | - | (1,768) |
| Balance as at 31 March 2016 | <u>164,588</u> | <u>(68,543)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>91,266</u> |

Company

| 1QFY2017 (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 January 2017 | 164,588 | (46,839) | (9,086) | 4,307 | 112,970 |
| Profit for the period, representing total comprehensive profit for the period | - | 1,541 | - | - | 1,541 |
| Balance as at 31 March 2017 | <u>164,588</u> | <u>(45,298)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>114,511</u> |
| Balance as at 1 January 2016 | 164,588 | (40,778) | (13,011) | - | 110,799 |
| Loss for the period, representing total comprehensive loss for the period | - | (5,297) | - | - | (5,297) |
| Treasury shares reissued pursuant to acquisition of lands | - | - | 5,693 | 4,307 | 10,000 |
| Purchase of treasury shares | - | - | (1,768) | - | (1,768) |
| Balance as at 31 March 2016 | <u>164,588</u> | <u>(46,075)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>113,734</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

| | <u>Number of issued shares</u> | <u>Share capital (MYR)</u> |
|---|--------------------------------|----------------------------|
| Balance as at 31 December 2016 and 31 March 2017 | 1,169,445,976 | 155,501,496 |

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

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

The Company did not hold any subsidiary holdings as at 31 March 2017 and 31 March 2016.

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 31 March 2017 | As at 31 December 2016 |
|--|----------------------------|-------------------------------|
| 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 hold 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 2017, 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 2016. The adoption of new IFRSs and amendments to IFRSs did not result in any significant change to the Group's and the Company's accounting policies and has no significant impact on the financial statements of the Group and the Company for the current financial reporting 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 ("EPS") /("LPS") | Group | |
|--|------------------------------|------------------------------|
| | Three Months Ended | |
| | 31 March 2017 (Unaudited) | 31 March 2016 (Unaudited) |
| Loss attributable to owners of the Company (MYR'000) | 233 | 2,631 |
| Weighted average number of ordinary shares used in the computation of basic and diluted loss per share | 1,169,445,976 ⁽¹⁾ | 1,156,952,015 ⁽²⁾ |
| Basic and diluted LPS (MYR cents) ⁽³⁾ | 0.02 | 0.23 |

Notes:

- (1) *The weighted average number of shares for the three months ended 31 March 2017 is based on the existing number of shares in issue.*
- (2) *The weighted average number of shares for the three months ended 31 March 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**").*
- (3) *The basic and diluted LPS are the same as there were no potentially dilutive securities in issue as at 31 March 2017 and 31 March 2016 respectively.*

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

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

| Net asset value | Group | | Company | |
|---|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | 31 March 2017 (Unaudited) | 31 December 2016 (Audited) | 31 March 2017 (Unaudited) | 31 December 2016 (Audited) |
| Net asset value attributable to the owners of the Company (MYR'000) | 83,365 | 83,598 | 114,511 | 112,970 |
| 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 31 March 2017 and 31 December 2016.

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

Review for the performance of the Group for the three months ended 31 March 2017 ("1QFY2017") as compared to the three months ended 31 March 2016 ("1QFY2016").

Consolidated Statement of Comprehensive Income

Revenue

Revenue for the Group registered a marginal decline to MYR3.0 million in 1QFY2017 as compared to MYR3.3 million in 1QFY2016 due to the one-off delay in vessel arrangements by a customer of Gridland Quarry, resulting in the fewer deliveries fulfilled. Nevertheless, all previously unfulfilled deliveries had been completed in April 2017. Nevertheless revenue for 1QFY2017 also took into account the Group's first delivery of a trial order of ground calcium carbonate ("GCC") stones from the Hyper Act Quarries.

Cost of sales

Cost of sales decreased to MYR0.5 million in 1QFY2017, as compared to MYR1.2 million in 1QFY2016, mainly due to a decline in quarrying activities in view of larger stock piles of GCC stones in Hyper Act Quarries carried forward from the extraction activities from the fourth quarter for the financial year ended 31 December 2016 ("4QFY2016").

Gross profit

Gross profit in 1QFY2017 amounted to MYR2.5 million (gross profit margin: 84%), compared to MYR2.1 million in 1QFY2016 (gross profit margin: 63%). The higher gross profit margin was mainly due to the lower costs of sales as explained above.

Other items of income

Interest income

Interest income remained relatively unchanged for 1QFY2017 and 1QFY2016 at MYR0.2 million.

Rental of equipment

Income of MYR0.2 million in 1QFY2017 was derived from the rental of site equipment to our quarry contractor which commenced end of March 2017. There was no such rental income in 1QFY2016.

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 MYR102 was recorded in 1QFY2017, as compared to a foreign exchange loss of MYR2,000 in 1QFY2016 due to decrease in funds being 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 decrease of MYR1.9 million to MYR2.6 million in 1QFY2017, as compared to MYR4.5 million in 1QFY2016 mainly due to:-

1. the one-time stamp duty of MYR0.9 million paid for the Land Acquisitions accounted in 1QFY2016 but was not incurred in 1QFY2017;
2. the increase in depreciation expense from MYR0.5 million in 1QFY2016 to MYR0.7 million in 1QFY2017, due to purchases of additional machinery and equipment;
3. the increase in amortization of leasehold land from MYR0.3 million in 1QFY2016 to MYR0.6 million in 1QFY2017 due to the capitalisation of development cost on the leasehold land;
4. the non-recurring gain on disposal of property plant and equipment of MYR1.1 million in 1QFY2017 but no gain on disposal of assets in 1QFY2016;
5. the decrease in maintenance of quarry site expenses from MYR0.3 million in 1QFY2016 to MYR0.1 million in 1QFY2017; and
6. the decrease in training expenses from MYR0.1 million incurred in 1QFY2016 to MYR300 incurred in 1QFY2017.

Other items in G & A Expenses remained relatively unchanged as at 1QFY2017 and 1QFY2016.

Finance costs

Finance costs incurred were with respect to the interest charged on term loans, obligations under finance leases and bank overdrafts. The increase of finance costs to MYR0.6 million in 1QFY2017 from MYR0.4 million in 1QFY2016, was large attributable to the interest incurred from the utilisation of term loans, finance leases and bank overdraft facilities totalling to approximately MYR36.5 million in 1QFY2017 as compared to MYR21.9 million in 1QFY2016.

Exploration expenditure

Exploration expenditure of MYR0.6 million was incurred in 1QFY2017 as compared to MYR0.4 million in 1QFY2016. The increase was due to more exploration activities for the blasting and opening new faces for the Gridland Quarry was being carried out during 1QFY2017 as compared to 1QFY2016.

Loss before income tax

Taking into account the reduction in various costs and expenses mentioned above, the Group recorded a narrowing of loss before tax to MYR0.2 million in 1QFY2017, as compared to MYR2.6 million in 1QFY2016.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased from MYR96.7 million as at 31 December 2016 to MYR97.9 million as at 31 March 2017 due to the addition in machinery and equipment of MYR2.5 million and the capitalisation of MYR1.0 million development costs incurred on Hyper Act quarry land, offset against the disposal of property, plant and equipment of MYR1.0 million and net of depreciation and amortisation charges of MYR1.3 million.

Current assets

As at 31 March 2017, current assets were at MYR36.7 million as compared to MYR36.6 million as at 31 December 2016.

Current assets comprised:

- a) The increase in inventories of MYR1.3 million was due to the increase in production of crushed stones at Hyper Act Quarries carried forward from the trial-run of crushing from the 4QFY2016.
- b) The decrease of trade and other receivables of MYR1.8 million was mainly due to the prompt collection from the customer in the current quarter.
- c) Cash and short-term deposits increased to MYR0.5 million as at 31 March 2017 from MYR20,000 as at 31 December 2016 mainly due to the prompt collections from the customer and drawdown of available bank overdrafts.

Non-current liabilities

As at 31 March 2017, the decrease of non-current liabilities was mainly due to the reclassification MYR1.5 million due in the next twelve months to current liabilities and a repayment of MYR0.2 million owing to a director.

Current liabilities

As at 31 March 2017, current liabilities stood at MYR21.3 million as compared to MYR18.0 million as at 31 December 2015.

Current liabilities comprised:

- a) The increase in trade and other payables of MYR1.6 million was largely due to the increase in blasting and extraction activities incurred during the 4QFY2016 at Hyper Act Quarries.
- b) Loans and borrowings increased to MYR12.0 million as at 31 March 2017 from MYR10.3 million as at 31 December 2016, mainly due to the reclassification of borrowings from non-current liabilities.

Consolidated Statement of Cash Flow

In 1QFY2017, the Group recorded net cash generated from operating activities of MYR1.8 million as compared to net cash generated of MYR0.1 million in 1QFY2016.

The net cash generated in operating activities comprised operating cash generated before changes in working capital of MYR1.1 million adjusted for net working capital inflows of MYR1.9 million, interest paid of MYR0.6 million, interest received of MYR0.2 million and exploration expenditure of MYR0.6 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 prompt collections from the customer in the current quarter;
- (b) an increase in inventories of MYR1.4 million arising from the built up of stock piles in Hyper Act Quarries from 4QFY2016; and
- (c) an increase in trade and other payables of MYR1.5 million due to the increase of extraction activities by the contractor at Hyper Act Quarries.

In 1QFY2017, net cash used in investing activities amounted to MYR0.9 million which arose from the acquisition of property, plant and equipment of MYR2.9 million offset against the proceeds from disposal of property, plant and equipment of MYR2.0 million.

Net cash used in financing activities amounted to MYR0.5 million was mainly due to the repayment of loans and borrowings.

As at 31 March 2017, the Group's cash and cash equivalents was a deficit of MYR4.2 million after netting off MYR0.5 million cash and short-term deposits as shown in the statement of financial position against drawing down from the bank overdraft of MYR4.7 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 audited financial results announcement for the financial year ended 31 December 2016, dated 28 February 2017.

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

The Group's implementation of a new approach that maximises productivity at Hyper Act Quarries has shown promising preliminary results. Stockpiles of GCC stones are accumulating rapidly at Hyper Act Quarries, which will enable orders to be fulfilled once secured.

The Group's effort to ramp up production of stones of precipitated calcium carbonate grade ("**PCC grade**") at Gridland Quarry mentioned in the previous quarter such as the extended working hours at the quarry site has resulted to a 20% increase in output in various sizes. The accumulation of stockpiles is in anticipation of new orders for PCC grade stones which is presently in high demand.

The Group successfully delivered a trial order for GCC stones to an established multinational customer in 1QFY2017 and the quality of our supply has already passed their stringent requirements. In this regard, the Group is relatively optimistic about securing orders from this customer. Barring unforeseen circumstances, the Group expects Hyper Act Quarries to generate a steady flow of income from the deliveries of calcium carbonate stones from the second quarter of FY2017 onwards.

Taking into account stable market demand for calcium carbonate, the Group looks forward to achieving improvement in its performance in the ensuing quarters of 2017.

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 first quarter ended 31 March 2017 has been recommended.

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

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

The director's loan of MYR5.4 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 31 March 2017 (“1QFY2017”), funds / cash were mainly used for the following activities:-

| Purpose | Projected Usage Amount (MYR) | Actual Usage Amount (MYR) |
|---------------------------------------|-------------------------------------|----------------------------------|
| Progressive payment for crusher plant | 1,000,000 | - |
| Development cost | 1,000,000 | 924,000 |
| Total | 2,000,000 | 924,000 |

Variance Explanation:

Payment for the crusher plant has been further delayed pending the confirmation from the contractor on some unresolved technical issues concerning the crusher plant. The payment will be released once the above disputes are resolved.

MYR0.9 million was incurred for the development activities at Hyper Act quarry site as compared to a projection of MYR1.0million. The difference was mainly due to the bad weather which affected the progress of the development work planned.

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 April 2017 to 30 June 2017 (“2QFY2017”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

| Purpose | Projected Usage Amount (MYR) |
|---------------------------------------|-------------------------------------|
| Progressive payment for crusher plant | 2,000,000 |
| Development cost | 1,000,000 |
| Total | 3,000,000 |

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.

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;

The building and completion of the access road encircling the top part of one of the Hyper Act hills has incurred an additional of MYR0.9 million in the current quarter under review. The access road is to facilitate the deliveries of the feeder trucks up and down the hill to the crusher at Hyper Act quarry. Since the production of limestone has commenced at Hyper Act quarry, a small amount of MYR27,000 was spent for exploration to retrieve samples for testing at different points to ascertain the next suitable are for extractions. The Group has reported previously that the commencement of the construction of the powder plant project will only be implemented once Hyper Act Quarry starts to generate positive cash flow to assist in the funding of the project.

A summary of the expenditure at Hyper Act Quarry incurred in 1QFY2017 for the aforementioned activities are as follows:-

| | Amount (MYR'000) |
|---|-------------------------|
| Development of access roads and clearance of overburden | 924 |
| Exploration expenditure | 27 |
| Total: | 951 |

Gridland Quarry has incurred MYR0.6 million for exploration activities which involved blasting for opening of new faces in the current quarter under review.

A summary of the expenditure at Gridland quarry site incurred in 1QFY2017 for the aforementioned activities are as follows:-

| | Amount (MYR'000) |
|-------------------------|-----------------------------|
| Exploration expenditure | 574 |
| Total: | 574 |

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 2017. A copy of the IQPR can be found in the Company's Annual Report 2016.

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 first quarter ended 31 March 2017 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
12 May 2017