

Unaudited Results for the Second Quarter Period Ended 30 June 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	Change %	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	Change %
Revenue	5,164	2,419	113	8,166	5,691	43
Cost of sales	(1,254)	(1,074)	20	(1,737)	(2,281)	(22)
Gross profit	3,910	1,345	188	6,429	3,410	87
Other items of income						
Interest income	220	192	15	436	374	17
Rental of equipment	191	133	44	382	133	187
Items of expense						
Foreign exchange (loss)/gain, net	(177)	14	n.m.	(177)	11	n.m.
General and administrative expenses	(3,245)	(5,534)	(41)	(5,846)	(10,000)	(42)
Finance costs	(572)	(512)	12	(1,130)	(921)	23
Profit/(Loss) before tax	327	(4,362)	n.m.	94	(6,993)	n.m.
Income tax expense	-	-		-		
Profit/(Loss) for the period, representing total comprehensive loss attributable to owners of the Company	327	(4,362)	n.m.	94	(6,993)	n.m.

n.m. – not meaningful

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	Change %	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	Change %
Interest income	220	192	15	436	374	17
Rental of equipment income	191	133	44	382	133	187
Finance costs	(572)	(512)	12	(1,130)	(921)	23
Gain on disposal of PPE	-	68	n.m.	1,097	68	1,513
Amortisation of leasehold lands	(637)	(591)	8	(1,267)	(900)	41
Depreciation of property, plant and equipment	(676)	(659)	3	(1,363)	(1,121)	22
Foreign exchange (loss)/gain, net	(177)	14	n.m.	(177)	11	n.m.
Exploration expenditure	(742)	(560)	33	(1,344)	(960)	40

n.m. – not meaningful

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

	Group		Company	
	30 June 2017 (Unaudited) MYR'000	31 December 2016 (Audited) MYR'000	30 June 2017 (Unaudited) MYR'000	31 December 2016 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	97,261	96,696	-	-
Investments in subsidiaries	-	-	3,500	3,500
	<u>97,261</u>	<u>96,696</u>	<u>3,500</u>	<u>3,500</u>
Current assets				
Inventories	3,663	1,027	-	-
Trade and other receivables	13,202	14,234	110,865	112,361
Pledged deposits	22,186	21,336	-	-
Income tax recoverable	2	2	-	-
Cash and short-term deposits	1,025	20	10	3
	<u>40,078</u>	<u>36,619</u>	<u>110,875</u>	<u>112,364</u>
Total assets	<u>137,339</u>	<u>133,315</u>	<u>114,375</u>	<u>115,864</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	10,055	7,876	2,089	2,894
Loans and borrowings	11,854	10,153	-	-
	<u>21,909</u>	<u>18,029</u>	<u>2,089</u>	<u>2,894</u>
Net current assets	<u>18,169</u>	<u>18,590</u>	<u>108,786</u>	<u>109,470</u>
Non-current liabilities				
Amount due to a director	6,229	5,627	-	-
Loans and borrowings	25,509	26,060	-	-
	<u>31,738</u>	<u>31,687</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>53,647</u>	<u>49,716</u>	<u>2,089</u>	<u>2,894</u>
Net assets	<u>83,692</u>	<u>83,599</u>	<u>112,286</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	(76,117)	(76,210)	(47,523)	(46,839)
Total equity	<u>83,692</u>	<u>83,599</u>	<u>112,286</u>	<u>112,970</u>
Total equity and liabilities	<u>137,339</u>	<u>133,315</u>	<u>114,375</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 30 June 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
11,854	-	10,153	-

Amount repayable after one year

As at 30 June 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
25,509	-	26,060	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 June 2017 (Unaudited)	As at 31 December 2016 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	338	517	Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group.
Term loans	26,585	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	1,832	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	2,037	1,764	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	4,571	4,644	Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group.
	<u>37,363</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		Six Months Ended	
	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000
Operating activities				
Profit/(loss) before income tax	327	(4,362)	94	(6,993)
Adjustments for:				
Amortisation of leasehold lands	637	591	1,267	900
Depreciation of property, plant and equipment	676	659	1,363	1,121
Exploration expenditure	742	560	1,344	960
Write off of property, plant and equipment	-	-	8	-
Gain on disposal of property, plant and equipment	-	(68)	(1,097)	(68)
Interest income	(220)	(192)	(436)	(374)
Foreign exchange loss/(gain), net	177	(14)	177	(11)
Finance costs	572	512	1,130	921
Operating cash flows before changes in working capital	2,911	(2,314)	3,850	(3,544)
Changes in working capital				
Decrease/(increase) in trade and other receivables	(742)	1,937	1,031	(855)
(Decrease)/increase in trade and other payables	726	(2,049)	2,179	2,840
Increase in inventories	(1,263)	(219)	(2,636)	(351)
Net changes in working capital	(1,279)	(295)	574	1,634
Cash generated from/(used in) operations	1,632	(2,645)	4,424	(1,910)
Exploration expenditure	(742)	(560)	(1,344)	(960)
Interest received	220	192	436	374
Interest paid	(572)	(512)	(1,130)	(921)
Income tax refunded	-*	-*	1	1
Net cash generated from/(used in) operating activities	538	(3,525)	2,387	(3,416)
Investing activity				
Purchase of property, plant and equipment (Note A)	(655)	(11,411)	(3,580)	(20,226)
Proceed from disposal of property, plant and equipment	-	300	2,021	300
Net cash used in investing activities	(655)	(11,111)	(1,559)	(19,926)
Financing activities				
Purchase of treasury shares	-	-	-	(1,768)
Proceeds from term loan	1,213	15,960	1,214	15,960
Repayment of term loans	(148)	(110)	1	(216)
Proceeds from finance leases	-	-	-	-
Repayment of obligations under finance leases	(135)	(181)	(274)	(296)
Loan from director	820	11,077	602	11,077
Placement of pledged deposits	(842)	(20,217)	(851)	(20,222)
Net cash generated from financing activities	908	6,529	428	4,535
Net (decrease)/ increase in cash and cash equivalents	791	(8,107)	1,256	(18,807)
Cash and cash equivalents at beginning of period	(4,160)	2,810	(4,625)	13,513
Effect of exchange rate changes on cash and cash equivalents	(177)	14	(177)	11
Cash and cash equivalents at end of the period (Note B)	(3,546)	56,318	(3,546)	56,318

* Amount less than MYR500

Note A: Purchase of property, plant and equipment

	Group	
	Three Months Ended	
	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000
Additions to property, plant and equipment deposits as per statement of financial position	(655)	(30,501)
Less: Prepayment made in prior year	-	9,090
Less: Purchase with treasury shares	-	10,000
Cash and cash equivalents as per statement of cash flow	(655)	(11,411)

Note B: Cash and cash equivalents

	Group	
	Three Months Ended	
	30 June 2017 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	1,025	272
Bank overdraft	(4,571)	(5,555)
Cash and cash equivalents as per statement of cash flow	(3,546)	(5,283)

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

2QFY2017 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 April 2017	164,588	(76,444)	(9,086)	4,307	83,365
Profit for the period, representing total comprehensive loss for the period	-	327	-	-	327
Balance as at 30 June 2017	<u>164,588</u>	<u>(76,117)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>83,692</u>
Balance as at 1 April 2016	164,588	(68,543)	(9,086)	4,307	91,266
Loss for the period, representing total comprehensive loss for the period	-	(4,362)	-	-	(4,362)
Treasury shares reissued pursuant to acquisition of lands	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Balance as at 30 June 2016	<u>164,588</u>	<u>(72,905)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>86,904</u>

Company

2QFY2017 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 April 2017	164,588	(45,298)	(9,086)	4,307	114,511
Loss for the period, representing total comprehensive profit for the period	-	(2,225)	-	-	(2,225)
Balance as at 30 June 2017	<u>164,588</u>	<u>(47,523)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>112,286</u>
Balance as at 1 April 2016	164,588	(46,075)	(9,086)	4,307	113,734
Profit for the period, representing total comprehensive loss for the period	-	1,944	-	-	1,944
Treasury shares reissued pursuant to acquisition of lands	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Balance as at 30 June 2016	<u>164,588</u>	<u>(44,131)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>115,678</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 March 2017 and 30 June 2017	1,169,445,976	155,501,496

As at 30 June 2017, the Company held 23,986,957 treasury shares (30 June 2016: 23,986,957).

The Company did not have any outstanding convertibles as at 30 June 2017 and 30 June 2016. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or GCCP Employee Share Option Scheme since adoption.

The Company did not hold any subsidiary holdings as at 30 June 2017 and 30 June 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 30 June 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, disposals, 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		Six Months Ended	
	30 June 2017 ⁽¹⁾ (Unaudited)	30 June 2016 ⁽²⁾ (Unaudited)	30 June 2017 ⁽¹⁾ (Unaudited)	30 June 2016 ⁽²⁾ (Unaudited)
Profit/(loss) attributable to owners of the Company (MYR'000)	327	(4,362)	94	(6,993)
Weighted average number of ordinary shares	1,169,445,976 ⁽¹⁾	1,169,445,976 ⁽²⁾	1,169,445,976 ⁽¹⁾	1,156,842,116 ⁽²⁾
Basic and diluted EPS/(LPS) (MYR cents) ⁽³⁾	0.03	(0.37)	0.01	(0.60)

Notes:

- (1) The weighted average number of shares for the three months ended 30 June 2017 is based on the existing number of shares in issue.
- (2) The weighted average number of shares for the three months ended 30 June 2016 is based on the existing number of shares in issue calculated after taking into account the effects of share buy backs by Company on 6 January 2016, 20 January 2016, 21 January 2016 and the reissuance of treasury shares to the vendor pursuant to the acquisition of industrial and quarry lands on 22 March 2016 which was completed on 28 June 2016 (the "**Land Acquisitions**").
- (3) The basic and diluted EPS and LPS are the same as there were no potentially dilutive securities in issue as at 30 June 2017 and 30 June 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	
	30 June 2017 (Unaudited)	31 December 2016 (Audited)	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	83,692	83,598	112,286	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 30 June 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 30 June 2017 ("2QFY2017") as compared to the three months ended 30 June 2016 ("2QFY2016").

Consolidated Statement of Comprehensive Income

Revenue

Revenue increased to MYR5.2 million in 2QFY2017 as compared to MYR2.4 million in 2QFY2016 due to the increase in both orders of ground calcium carbonate ("GCC") stones and fulfilment of such from the Hyper Act Quarry to our customers.

Cost of sales

Cost of sales increased by 20% from 2QFY2016 to 2QFY2017, as compared to MYR1.1 million in 2QFY2016, mainly due to the rise in quarrying activities at Hyper Act Quarry to fulfil additional orders and deliveries.

Gross profit/margin

Gross profit in 2QFY2017 amounted to MYR3.9 million (gross profit margin: 76%), compared to MYR1.3 million in 2QFY2016 (gross profit margin: 56%). The higher gross profit margin was mainly due to the ready stocks of GCC limestone in Hyper Act Quarry recovered from the previous extraction activities resulting in lower cost of sales in 2QFY017.

Other items of income

Interest income

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

Rental of equipment

Income of MYR0.2 million in 2QFY2017 was derived from the rental of site equipment to our quarry contractor as compared to MYR0.1 million in 2QFY2016.

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 MYR177,000 was recorded in 2QFY2017, as compared to a foreign exchange gain of MYR14,000 in 2QFY2016 due to the depreciation of Malaysian Ringgit to Singapore Dollar, with funds being converted from Malaysian Ringgit to Singapore Dollar for the payments of services in Singapore Dollar.

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

G&A Expenses recorded a decrease of MYR2.3 million to MYR3.2 million in 2QFY2017 mainly due to:-

1. the absence of property gain taxes of MYR1.6 million paid for the Land Acquisitions in 2QFY2016;
2. the absence of professional fees of MYR0.6 million paid for the planning and design of the powder plant which accounted in 2QFY2016 ;
3. salaries and wages paid were decreased by MYR0.1 million in 2QFY2017 due to the reduction in site workers after the outsourcing of extraction activities to the contractor.

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 2QFY2017 from MYR0.5 million in 2QFY2016, was attributable to the interest incurred from the increased borrowings totalling to approximately MYR37.3 million in 2QFY2017 as compared to MYR25.1 million in 2QFY2016.

Exploration expenditure

Exploration expenditure of MYR0.7 million was incurred in 2QFY2017 as compared to MYR0.6 million in 1QFYFY2016. The increase was due to more exploration activities from the blasting and opening new faces at both Gridland Quarry and Hyper Act Quarry.

Profit before income tax

Taking into account the increase in revenue, reduction in various costs and expenses mentioned above, the Group recorded a turnaround profit before tax of MYR0.3 million in 2QFY2017 compared to a loss of MYR4.4 million in 2QFY2016..

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased from MYR96.7 million as at 31 December 2016 to MYR97.3 million as at 30 June 2017 due to the addition in machinery and equipment of MYR2.5 million and the capitalisation of MYR1.7 million in development costs incurred on Hyper Act Quarry, offset against the disposal of property, plant and equipment of MYR1.0 million and net of depreciation and amortisation charges of MYR2.6 million.

Current assets

As at 30 June 2017, current assets increased to MYR40.1 million from MYR36.6 million as at 31 December 2016 mainly due to:-

- a) The increase in inventories of MYR2.6 million mainly from the increase in production of crushed stones at Gridland Quarry after the successful implementation of the quarry plan. Stock in Hyper Act Quarry also recorded an increase after offsetting the stockpile used to fulfil the orders received in the same quarter.
- b) The decrease of trade and other receivables of MYR1.0 million arising from prompt collections from the customers.
- c) The increase of pledged deposits of MYR0.9 million from interest earned from the deposit.
- d) The increase of cash and short-term deposits to MYR1.0 million as at 30 June 2017 from MYR20,000 as at 31 December 2016 was mainly due to the drawdown of existing loan, loan received from director as well as the cash generated from the operations.

Non-current liabilities

As at 30 June 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 30 June 2017, current liabilities stood at MYR21.9 million as compared to MYR18.0 million as at 31 December 2016 mainly due to:-

- a) The increase in trade and other payables of MYR2.2 million largely from the increase in blasting and extraction activities incurred in the current quarter under review at Hyper Act Quarry.
- b) The increase in loans and borrowings to MYR11.9 million as at 30 June 2017 from MYR10.2 million as at 31 December 2016, mainly due to the reclassification of borrowings from non-current liabilities.

Consolidated Statement of Cash Flow

In 2QFY2017, the Group recorded net cash generated from operating activities of MYR0.5 million as compared to net cash used of MYR3.5 million in 2QFY2016.

The net cash generated in operating activities comprised operating cash generated before changes in working capital of MYR2.9 million adjusted for net working capital inflows of MYR1.3 million, interest paid of MYR0.6 million, interest received of MYR0.2 million and exploration expenditure of MYR0.7 million.

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

- (a) a increase in trade and other receivables of MYR0.7 million. The increase was mainly due to the increase in trade receivables from the increase in sales in the current quarter;
- (b) an increase in inventories of MYR1.3 million arising from the built up of stock piles in Gridland Quarry and Hyper Act Quarry; and
- (c) an increase in trade and other payables of MYR0.7 million due to the increase of extraction activities by the contractor at Hyper Act Quarry.

In 2QFY2017, net cash used in investing activities amounted to MYR0.7 million which arose from the development cost incurred for the building of infrastructure at Hyper Act Quarry.

Net cash generated from financing activities amounted to MYR0.9 million was mainly due to the drawdown of MYR1.2 million of term loan and the loan from director of MYR0.8 million offset against repayment of loans and borrowings of MYR0.3 million and the placement of MYR0.8 million into pledged deposits.

As at 30 June 2017, the Group's cash and cash equivalents was a deficit of MYR3.5 million after netting off MYR1.0 million cash and short-term deposits as shown in the statement of financial position against drawing down from the bank overdraft of MYR4.5 million.

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

Overall, the financial results are in line with previous discussion under Section 10 of the Company's unaudited financial results announcement for the first quarter ended 31 March 2017 dated 12 May 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 Hyper Act Quarry has begun to contribute positively on the back of several successful trial shipments to a major customer during the quarter under review. The shipments have been well-received and the Group is currently in negotiations with the major customer to convert its orders into longer-term contracts to secure a stable flow of income. Apart from this, the Group has also received steady enquiries for its GCC-grade stones and are working to convert these into actual orders.

The Group expects its performance in the ensuing months to be sustained by a step-up contract from another major customer. This contract, for 240,000 metric tonnes of crushed calcium carbonate stones of precipitated calcium carbonate ("PCC") grade, will be supplied by its Gridland Quarry. Shipments of the crushed PCC-grade stones are currently delivered as scheduled.

Demand for calcium carbonate stones is expected to remain healthy and stable. In line with this, the Group will continue its effort to improve productivity at its quarries, while exploring ways to capitalise on the healthy demand and add to its revenue stream and continue looking forward to achieving an improvement in its performance in the ensuing quarters.

11. Dividend

If a decision regarding dividend has been made:-

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

None.

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

Not applicable.

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

Not applicable.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

Not applicable, as no interim dividend for the second quarter ended 30 June 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 MYR6.2 million is interest free with no fixed repayment term and no interest consideration was/will be paid by the Company and hence, there is no value at risk to the Group. Repayment to the director will only take place when funds are deemed available.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

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

For the quarter ended 30 June 2017 (“**2QFY2017**”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Progressive payment for crusher plant	2,000,000	1,200,000
Development cost	1,000,000	655,000
Total	3,000,000	1,855,000

Variance Explanation:

A term loan of MYR1.2 million was drawn down for the partial payment of the crusher plant and the balance outstanding of approximately MYR1.0 million will be paid via several instalments agreed by the contractor. This arrangement will ensure that the contractor will continue to provide prompt responses and services required within the stipulated timeframe of the contract.

MYR0.7 million was incurred for the development activities at Hyper Act quarry site as compared to a projection of MYR1.0 million. The variance was due to the reduction of development work to focus on production to fulfil orders.

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

For the next immediate quarter (financial period from 1 July 2017 to 30 September 2017 (“**3QFY2017**”)), 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	300,000
Development cost	800,000

Total	1,100,000
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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 Catalist Listing Manual

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

15a. Rule 705 (7)(a) of the Catalist Listing Manual

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

Hyper Act Quarry

The continuous development of roads in Hyper Act Quarry has incurred a cost of MYR0.7 million in the current quarter under review. These roads are built to gain access to different areas on top of the hill in order to reach the desired points of extraction. Exploration cost of MYR0.2 million was spent in the blasting activities in order to locate the quality of GCC stones suited for the use of the different category of customers. The Group has reported previously that 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 2QFY2017 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Development of access roads and clearance of overburden	655
Exploration expenditure	221
Total:	876

Hyper Act Quarry has incurred a total of MYR682,000 on production activities in 2QFY2017.

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

	Metric ton (MT)
Crushed GCC limestone	26,531

Gridland Quarry

Gridland Quarry has incurred MYR0.5 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 2QFY2017 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	521
Total:	521

Gridland Quarry has incurred MYR587,000 on production activities in 2QFY2017.

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

	Metric ton (MT)
Crushed PCC limestone	121,538

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 second quarter ended 30 June 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
4 August 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 Catalist. The Sponsor has not verified the contents of this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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

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