



**GCCP RESOURCES LIMITED**  
Company Registration Number: OI-282405

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## NEWS RELEASE

### **TURNING THE CORNER - GCCP RESOURCES REPORTS MAIDEN PROFIT IN 2Q17**

- ✓ **Positive operating cash flow**
- ✓ **Order book of RM15M up to end-2017**

**Singapore, 4 August 2017** – Malaysia-based crushed calcium carbonate producer, **GCCP Resources Limited** (沛盛创投有限公司; “GCCP” and, together with its subsidiaries, the “Group”) has recorded a maiden profit attributable to shareholders of RM0.3 million for its second financial quarter ended 30 June 2017 (“2Q17”), in contrast with a loss of RM4.4 million in the previous corresponding period (“2Q16”). This was on the back of a 113% improvement in revenue to RM5.2 million, from RM2.4 million in 2Q16.

Riding the improved 2Q17 performance, the Group also recorded profit attributable to shareholders of RM94,000 for the six months ended 30 June 2017 (“1H17”), compared to a loss of RM7.0 million for the same period a year ago (“1H16”). Revenue for 1H17 grew 43% to RM8.2 million, from RM5.7 million in 1H16.

The improvement in top and bottom lines was driven by an increase in business activity from its Gridland Quarry, which supplies crushed stones of precipitated calcium carbonate (“PCC”) grade. Along with this, the 2Q17 results were boosted by initial contribution from the Group’s Hyper Act Quarries, which supplies crushed stones of ground calcium carbonate (“GCC”) grade. These stones are supplied to customers in Malaysia and the region.

At Gridland Quarry, the Group sales were mainly generated from a step-up contract of up to 240,000 metric tonnes, from one of the largest paper and pulp producers in the region. Shipments of the crushed stones are progressively being delivered in batches through to December 2017.

Positive contribution from the Group’s Hyper Act Quarries came from several successful trial shipments of GCC-grade stones to a major customer, all of which received positive feedback for quality. The Group is currently in negotiations with the major customer to convert these



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shipments into longer-term contracts in order to secure a stable flow of income for the Group. The Group has also received a steady stream of enquiries for its GCC-grade stones and is working to convert these into firm orders.

In line with the improved results, GCCP generated a fourth consecutive quarter of positive operating cash flow of RM0.5 million for 2Q17, and a positive operating cash flow of RM2.4 million for 1H17. This is in contrast with cash outflows of RM3.5 million and RM3.4 million from its operations in 2Q16 and 1H16.

Commenting on the results, GCCP Chairman and CEO Alex Loo (骆汉瑞) said, “The 2Q17 performance marks a new milestone for GCCP, and we are heartened that our efforts have begun to bear fruit. We look forward to building upon this to generate sustainable returns for all our shareholders going forward.”

The Group expects its performance in the ensuing months to be sustained by the step-up contract. In the meantime, it will continue its effort to improve productivity at its quarries, while exploring ways to tap on the healthy and stable market demand for calcium carbonate stones to expand its revenue stream.

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#### **About GCCP Resources Limited**

GCCP Resources Limited is primarily engaged in the quarrying and the processing of calcium carbonate in Malaysia. The Group owns one of the biggest reserves of ground calcium carbonate (“GCC”) in Malaysia. The Group’s quarries, namely Gridland Quarry and Hyper Act Quarries, collectively hold about 220 million metric tonnes of precipitated calcium carbonate (“PCC”) and GCC-grade calcium carbonate resources and 26 million metric tonnes of PCC and GCC-grade calcium carbonate reserves.

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