

Unaudited Results for the Third Quarter Period Ended 30 September 2018

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 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000	Change %	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000	Change %
Revenue	6,260	9,071	(31)	15,432	17,238	(10)
Cost of sales	(3,882)	(4,525)	(14)	(8,945)	(6,263)	43
Gross profit	2,378	4,546	(48)	6,487	10,975	(41)
Other items of income						
Interest income	7	163	(96)	347	599	(42)
Rental of equipment	-	64	n.m.	-	446	n.m.
Foreign exchange gain	32	106	(70)	169	-	n.m.
Other income	18	-	n.m.	18	-	n.m.
Items of expense						
Foreign exchange loss	-	-	-	-	(71)	n.m.
General and administrative expenses	(2,401)	(2,497)	(4)	(7,192)	(6,582)	9
Selling and distribution expenses	(804)	(1,472)	(45)	(2,914)	(3,233)	(10)
Finance costs	(498)	(606)	(18)	(1,690)	(1,736)	(3)
(Loss)/profit before tax	(1,268)	304	n.m.	(4,775)	398	n.m.
Income tax expense	-	-	-	-	-	-
(Loss)/profit for the period, representing total comprehensive loss attributable to owners of the Company	(1,268)	304	n.m.	(4,775)	398	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			Nine Months Ended		
	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000	Change %	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000	Change %
Interest income	7	163	(96)	347	599	(42)
Rental of equipment income	-	64	n.m.	-	446	n.m.
Finance costs	(498)	(606)	(18)	(1,690)	(1,736)	(3)
Gain on disposal of property, plant and equipment	-	-	-	-	1,097	n.m.
Amortisation of leasehold lands	(664)	(642)	3	(1,986)	(1,909)	4
Depreciation of property, plant and equipment	(707)	(676)	5	(2,094)	(2,039)	3
Foreign exchange (loss)/gain, net	32	106	(70)	169	(71)	n.m.
Exploration expenditure	(387)	(811)	(52)	(888)	(2,155)	(59)

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 2018 (Unaudited) MYR'000	31 December 2017 (Audited) MYR'000	30 September 2018 (Unaudited) MYR'000	31 December 2017 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	92,148	95,227	-	-
Investments in subsidiaries	-	-	2,414	2,414
	<u>92,148</u>	<u>95,227</u>	<u>2,414</u>	<u>2,414</u>
Current assets				
Inventories	3,766	3,983	-	-
Trade and other receivables	10,149	10,762	94,514	93,592
Pledged deposits	1,198	22,199	-	-
Income tax recoverable	2	2	-	-
Cash and short-term deposits	398	1,130	114	916
	<u>15,513</u>	<u>38,076</u>	<u>94,628</u>	<u>94,508</u>
Total assets	<u>107,661</u>	<u>133,303</u>	<u>97,042</u>	<u>96,922</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	14,099	10,173	3,292	2,250
Loans and borrowings	7,796	7,936	-	-
	<u>21,895</u>	<u>18,109</u>	<u>3,292</u>	<u>2,250</u>
Net current (liabilities)/assets	<u>(6,382)</u>	<u>19,967</u>	<u>91,336</u>	<u>92,258</u>
Non-current liabilities				
Trade Payables	-	3,407	-	-
Amount due to a director	5,849	4,933	1,769	558
Loans and borrowings	7,935	30,097	-	-
	<u>13,784</u>	<u>38,437</u>	<u>1,769</u>	<u>558</u>
Total liabilities	<u>35,679</u>	<u>56,546</u>	<u>5,061</u>	<u>2,808</u>
Net assets	<u>71,982</u>	<u>76,757</u>	<u>91,981</u>	<u>94,114</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	(87,827)	(83,052)	(67,828)	(65,695)
Total equity	<u>71,982</u>	<u>76,757</u>	<u>91,981</u>	<u>94,114</u>
Total equity and liabilities	<u>107,661</u>	<u>133,303</u>	<u>97,042</u>	<u>96,922</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 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
7,796	-	7,936	-

Amount repayable after one year

As at 30 September 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
7,935	-	30,097	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2018 (Unaudited)	As at 31 December 2017 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	-	147	Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group.
Term loans	7,266	27,138	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	-	1,790	Charges on a plot of industrial land, an executive director's guarantee and corporate guarantee.
Term loan for the purchase of office units	1,514	1,717	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	1,691	1,841	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	5,260	5,400	Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group.
	<u>15,731</u>	<u>38,033</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 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000
Operating activities				
(Loss)/profit before income tax	(1,268)	304	(4,775)	398
Adjustments for:				
Amortisation of leasehold lands	664	642	1,986	1,909
Depreciation of property, plant and equipment	707	676	2,094	2,039
Exploration expenditure	387	811	888	2,155
Write off of property, plant and equipment	2	-	2	8
Gain on disposal of property, plant and equipment	-	-	-	(1,097)
Interest income	(7)	(163)	(347)	(599)
Foreign exchange loss/(gain), net	(32)	(106)	(169)	71
Finance costs	498	606	1,690	1,736
Operating cash flows before changes in working capital	951	2,770	1,369	6,620
Changes in working capital				
Decrease/(increase) in trade and other receivables	732	(6,026)	614	(4,995)
(Decrease)/increase in trade and other payables	(1,079)	2,884	519	5,063
Decrease/(Increase) in inventories	731	(781)	217	(3,417)
Net changes in working capital	384	(3,923)	1,350	(3,349)
Cash generated from/(used in) operations	1,335	(1,153)	2,719	3,271
Exploration expenditure	(387)	(811)	(888)	(2,155)
Interest received	7	163	347	599
Interest paid	(498)	(606)	(1,690)	(1,736)
Income tax refunded	-*	-*	-*	-*
Net cash generated from/(used in) operating activities	457	(2,407)	488	(21)
Investing activity				
Purchase of property, plant and equipment (Note A)	(52)	(81)	(642)	(3,661)
Proceeds from disposal of property, plant and equipment	-	-	-	2,021
Net cash used in investing activities	(52)	(81)	(642)	(1,640)
Financing activities				
Proceeds from term loan	-	1,073	-	2,287
Repayment of term loans	(21,425)	(151)	(22,012)	(415)
Repayment of obligations under finance leases	(189)	(146)	(510)	(420)
(Repayment to)/Loan from director	(91)	90	915	692
Withdrawal/(placement) of pledged deposits	21,655	(6)	21,000	(855)
Net cash (used in)/generated from financing activities	(50)	860	(607)	1,289
Net increase/(decrease) in cash and cash equivalents	355	(1,628)	(761)	(372)
Cash and cash equivalents at beginning of period	(5,249)	(3,546)	(4,270)	(4,625)
Effect of exchange rate changes on cash and cash equivalents	32	106	169	(71)
Cash and cash equivalents at end of the period (Note B)	(4,862)	(5,068)	(4,862)	(5,068)

* Amount less than MYR500

Note A: Purchase of property, plant and equipment

	Group	
	Three Months Ended	
	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000
Additions to property, plant and equipment deposits as per statement of financial position	(52)	(642)
	(52)	(642)

Note B: Cash and cash equivalents

	Group	
	Three Months Ended	
	30 September 2018 (Unaudited) MYR'000	30 September 2017 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	398	366
Bank overdraft	(5,260)	(5,434)
Cash and cash equivalents as per statement of cash flow	(4,862)	(5,068)

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

3QFY2018 (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 2018	164,588	(86,559)	(9,086)	4,307	73,250
Loss for the period, representing total comprehensive loss for the period	-	(1,268)	-	-	(1,268)
Balance as at 30 September 2018	<u>164,588</u>	<u>(87,827)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>71,982</u>
Balance as at 1 July 2017	164,588	(76,117)	(9,086)	4,307	83,692
Profit for the period, representing total comprehensive profit for the period	-	304	-	-	304
Balance as at 30 September 2017	<u>164,588</u>	<u>(75,813)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>83,996</u>

Company

3QFY2018 (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 2018	164,588	(69,294)	(9,086)	4,307	90,515
Profit for the period, representing total comprehensive loss for the period	-	1,466	-	-	1,466
Balance as at 30 September 2018	<u>164,588</u>	<u>(67,828)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>91,981</u>
Balance as at 1 July 2017	164,588	(44,131)	(9,086)	4,307	115,678
Loss for the period, representing total comprehensive loss for the period	-	1,359	-	-	1,359
Balance as at 30 September 2017	<u>164,588</u>	<u>(42,772)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>117,037</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

	Number of issued shares (excluding treasury shares)	Share capital (MYR)
Balance as at 30 June 2018 and 30 September 2018	1,169,445,976	155,501,496

As at 30 September 2018, the Company held 23,986,957 treasury shares (30 September 2017: 23,986,957), equivalent to 2.05% of the total number of issued and paid up share capital of the Company.

The Company did not have any outstanding convertibles or subsidiary holdings as at 30 September 2018 and 30 September 2017. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or GCCP Employee Share Option Scheme since adoption.

- 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 2018	As at 31 December 2017
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 have 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 2018, 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 2017. 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**

(Loss)/Earnings per share ("LPS")/"EPS"	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2018 ⁽¹⁾ (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 ⁽¹⁾ (Unaudited)	30 September 2017 (Unaudited)
(Loss)/profit attributable to owners of the Company (MYR'000)	(1,268)	304	(4,775)	398
Weighted average number of ordinary shares	1,169,445,976	1,169,445,976	1,169,445,976	1,169,445,976
Basic and diluted (LPS)/EPS (MYR cents) ⁽¹⁾	(0.11)	0.03	(0.38)	0.03

Notes:

(1) The basic and diluted (LPS)/EPS are the same as there were no potentially dilutive securities in issue as at 30 September 2018 and 30 September 2017 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 2018 (Unaudited)	31 December 2017 (Audited)	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	71,982	76,756	91,981	94,114
Net asset per share at the end of the period (MYR)*	0.06	0.07	0.08	0.08

* The calculation of net asset value per ordinary share was based on 1,169,445,976 ordinary shares (excluding treasury shares) as at 30 September 2018 and 31 December 2017.

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 2018 ("3QFY2018") as compared to the three months ended 30 September 2017 ("3QFY2017").

Consolidated Statement of Comprehensive Income

Revenue

Revenue for the Group decreased to MYR6.3 million in 3QFY2018, compared to MYR9.1 million in 3QFY2017. The decrease was due to fewer orders received for crushed calcium carbonate stones of ground calcium carbonate ("GCC") grade from the Hyper Act Quarries, partially offset by an increase in orders for precipitated calcium carbonate ("PCC") grade stones from the Gridland Quarry.

Cost of sales

Cost of sales decreased to MYR3.9 million in 3QFY2018 from MYR4.5 million in 3QFY2017 mainly due to the reduction in quarrying activities at Hyper Act Quarries owing to the drop in orders for GCC stones.

Gross profit/margin

Gross profit in 3QFY2018 amounted to MYR2.4 million (gross profit margin: 38%), compared to MYR4.5 million in 3QFY2017 (gross profit margin: 50%). The lower gross profit margin was mainly due to lower profit margin from the local sales of PCC grade limestone from Gridland Quarry.

Other items of income

Interest income

Interest income decreased in 3QFY2018 to MYR7,000 as compared to MYR163,000 in 3QFY2017 due to the withdrawal of significant amount of pledged fixed deposits to offset against the term loans from the same bank.

Rental of equipment

There was no income from equipment rental in 3QFY2018 as compared to the income of MYR64,000 in 3QFY2017. The income in 3QFY2017 was derived from the rental of site equipment to our quarry contractor that ceased in 3QFY2017.

Foreign exchange gain

A foreign exchange gain of MYR32,000 was recorded in 3QFY2018, as compared to MYR106,000 in 3QFY2017 due to the strengthening of Malaysian Ringgit. As the Company's income statement is denominated in Malaysian Ringgit, the strengthening of Malaysian Ringgit will result in a decrease in the payment amount for services that were denominated in Singapore Dollars.

Items of expense

The Group's items of expense consisted of general and administrative expenses, selling and distribution expenses and finance costs.

General and administrative expenses ("G&A Expenses")

G&A Expenses recorded a decrease of 4% from MYR2.5 million in 3QFY2017 to MYR2.4 million in 3QFY2018 mainly due to reversal of sales commission previously charged to an agent for the sales to Indonesia. Other items in G & A Expenses remained relatively unchanged year-on-year.

Selling and distribution expenses

Selling and distribution expenses decreased from MYR1.5 million in 2QFY2017 to MYR0.8 million in 3QFY2018 mainly due to the reduction in transportation and freight charges resulting from lesser export sales in the quarter under review.

Finance costs

Finance costs, attributable to the interest incurred on term loans, finance leases and bank overdraft facilities, decreased from MYR0.6 million in 3QFY2017 to MYR0.5 million in 3QFY2018 due to the significant repayment of term loans at the end of the quarter under review.

Exploration expenditure

Exploration expenditure amounted to MYR0.4 million was incurred in 3QFY2018 as compared to MYR0.8 million in 3QFY2017. The decrease was due to the downward revision of blasting costs by the Group's contractor and lesser exploration activities carried out in the quarter under review.

Loss before income tax

Taking into account the decrease in revenue, and more sales of lower profit margin local sales mentioned above, the Group recorded a loss before tax of MYR1.3 million in 3QFY2018 compared to a profit before tax of MYR0.3 million in 3QFY2017.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased to MYR92.1 million as at 30 September 2018 from MYR95.2 million as at 31 December 2017 due to the year to date depreciation and amortisation charges of MYR4.1 million, offset by the addition in machinery and equipment of MYR0.4 million and the capitalisation of MYR0.6 million in development costs incurred on Hyper Act Quarries.

Current assets

As at 30 September 2018, current assets decreased to MYR15.5 million from MYR38.1 million as at 31 December 2017 mainly due to:-

- a) a decrease in inventories of MYR0.2 million mainly from the lower production of crushed stones at Hyper Act Quarries coupled with sales made;
- b) a decrease in trade and other receivables of MYR0.7 million arising from timely collections from customers;
- c) a decrease in pledged deposits of MYR21.0 million for the repayment of some term loans to reduce interest expenses incurring from the loans; and
- d) a decrease of cash and short-term deposits to MYR0.4 million as at 30 September 2018 from MYR1.1 million as at 31 December 2017, which was mainly due to lower cash collections from lower sales in the current quarter.

Non-current liabilities

As at 30 September 2018, non-current liabilities decreased to MYR13.8 million from MYR38.4 million as at 31 December 2017. This was mainly due to:

- a) a reclassification of MYR3.4 million in trade payables to current liabilities due to a legal notice filed by a creditor to demand for immediate repayment.
- b) an increase of MYR1.0 million loan from a director; and
- c) a decrease of MYR22.2 million from loans and borrowings due to an offset of the pledged deposits against some term loans and regular repayments of the existing borrowings.

Current liabilities

As at 30 September 2018, current liabilities stood at MYR21.9 million as compared to MYR18.1 million as at 31 December 2017 mainly due to:-

- a) an increase in trade and other payables of MYR3.9 million largely from the reclassification of MYR3.4 million from non-current liabilities and increase in the number of vendors in the year to date; these were offset by,
- b) a slight decrease in loans and borrowings of MYR0.1 million due to the regular repayment of loans.

The Group fell into a negative working capital position of MYR6.4 million largely due to the use of MYR21.0 million in pledged fixed deposits to repay part of the outstanding term loans to reduce the monthly instalment repayment amount commencing in November 2018 coupled with the significant amount of savings in the interest expenses.

Consolidated Statement of Cash Flow

In 3QFY2018, the Group recorded a net cash generated from operating activities of MYR0.5 million as compared to net cash used in operating activities of MYR2.4 million in 3QFY2017.

The net cash generated in operating activities comprised operating cash generated before changes in working capital of MYR1.0 million adjusted for net working capital generated of MYR0.4 million, interest paid of MYR0.5 million and exploration expenditure of MYR0.4 million.

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

- (a) a decrease in trade and other receivables of MYR0.7 million, mainly due to the prompt collection from customers in the current quarter;
- (b) a decrease in inventories of MYR0.7 million arising from lower production activity in Hyper Act Quarries during 3QFY2018 as compared to the 3 months ended 30 June 2018 ("2QFY2018"); and
- (c) a decrease in trade and other payables of MYR1.1 million in the current quarter due to the prompt payments to the vendors.

In 3QFY2018, net cash used in investing activities was closed to MYR0.1 million for the purpose of upgrading the infrastructure of Hyper Act Quarries.

Net cash used in financing activities amounted to approximately MYR0.1 million, was mainly due to the withdrawal of pledged deposits of MYR21.7 million to repay the loans and borrowings of MYR21.5 million and the repayment of loan to a director of MYR0.1 million.

As at 30 September 2018, the Group's cash and cash equivalents was a deficit of MYR4.9 million after netting off MYR0.4 million cash and short-term deposits against the drawing down from the bank overdraft of MYR5.3 million as shown in the statement of financial position.

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 second quarter ended 30 June 2018 dated 13 August 2018.

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.

Sales of PCC-grade calcium carbonate stones from Gridland Quarry have increased in 3QFY2018 due to strengthening local demand. This positive sales momentum is expected to continue into the next quarter, buoyed by a newly commissioned steel processing mill located in Kuantan. The Group is currently actively engaging the customer to secure a long-term contract.

Hyper Act Quarries experienced a slowdown in orders for GCC-grade calcium carbonate stones amid stiff market competition. The Group expects the slowdown to be temporary as it continues to work hard at securing customers for the high quality GCC-grade stones offered by Hyper Act Quarries.

Demand for calcium carbonate stones is expected to remain robust spurring from the increasing demands from the paper and packaging industry. The increasing demand for brighter and bulkier paper is the key driver for preferring limestone in the paper industry, citing to the online article at Businesswire.com, titled "Global Limestone Market Analysis, Growth, Trends & Forecast 2018-2023, With an Estimated CAGR of Over 6%".

On account of healthy market demand for calcium carbonate stones, the Group will continue its effort to improve productivity at its quarries to ensure it is well-positioned to meet the requirements of its customers.

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 2018 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 MYR5.8 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 September 2018 (“**3QFY2018**”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development cost	300,000	-
Total	300,000	-

Variance Explanation:

No development activities took place at both quarries as efforts are concentrated on production activities to maximise stocks for timely deliveries.

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 2018 to 31 December 2018 (“**4QFY2018**”), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	200,000
Total	200,000

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.

15. Rule 705 (7) 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 Quarries

In the quarter under review, Hyper Act Quarries had incurred a small amount of MYR30,000 in exploration to retrieve samples continuously for testing to determine the extraction points for quality limestone with the priority to increase the stock level.

A summary of the expenditure at Hyper Act Quarries incurred in 3QFY2018 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	30
Total:	30

A summary of the production of crushed stones at Hyper Act Quarries in 3QFY2018 is as follows:-

	Metric ton (MT)
Crushed GCC limestone	20,039

Gridland Quarry

Gridland Quarry has incurred MYR360,000 for exploration activities which involved blasting to open new faces in the current quarter under review. *Gridland* Quarry will continue to improvise in order to achieve higher output of production.

A summary of the expenditure at Gridland quarry site incurred in 3QFY2018 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	357
Total:	357

A summary of the production of crushed stones at Gridland Quarry for 3QFY2018 is as follows:-

	Metric ton (MT)
Crushed PCC limestone	90,595

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 2018 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 November 2018

*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).