

**GCCP Resources Limited**

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

**Unaudited Financial Results for the Second Quarter Ended 30 June 2019****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 2019 (Unaudited) MYR'000	30 June 2018 (Unaudited) MYR'000	Change %	30 June 2019 (Unaudited) MYR'000	30 June 2018 (Unaudited) MYR'000	Change %
Revenue	2,702	4,738	(43)	5,210	9,172	(43)
Cost of sales	(1,744)	(2,782)	(37)	(3,425)	(5,063)	(32)
<b>Gross profit</b>	958	1,956	(51)	1,785	4,109	(57)
<b>Other items of income</b>						
Interest income	14	175	(92)	23	340	(93)
Rental of equipment	27	-	n.m.	45	-	n.m.
<b>Items of expense</b>						
Foreign exchange (loss)/gain, net	-*	(3)	n.m.	(1)	137	n.m.
General and administrative expenses	(2,398)	(2,300)	4	(4,844)	(4,791)	1
Selling and distribution expenses	(641)	(1,136)	(44)	(1,154)	(2,111)	(45)
Finance costs	(255)	(605)	(58)	(516)	(1,192)	(57)
<b>Loss before tax</b>	(2,295)	(1,913)	20	(4,662)	(3,508)	33
Income tax expense	-	-	-	-	-	-
<b>Loss for the period, representing total comprehensive loss attributable to owners of the Company</b>	(2,295)	(1,913)	20	(4,662)	(3,508)	33

n.m. – not meaningful

\* Amount less than MYR500

**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 2019 (Unaudited) MYR'000	30 June 2018 (Unaudited) MYR'000	Change %	30 June 2019 (Unaudited) MYR'000	30 June 2018 (Unaudited) MYR'000	Change %
Interest income	14	175	(92)	23	340	(93)
Rental of equipment income	27	-	n.m.	45	-	n.m.
Finance costs	(255)	(605)	(58)	(516)	(1,192)	(57)
Amortisation of leasehold lands	(658)	(664)	(1)	(1,317)	(1,322)	-
Depreciation of property, plant and equipment	(706)	(683)	3	(1,389)	(1,388)	-
Foreign exchange (loss)/gain, net	-*	(3)	n.m.	(1)	137	n.m.
Exploration expenditure	(221)	(261)	(15)	(370)	(501)	(26)

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	
	30 June 2019 (Unaudited) MYR'000	31 December 2018 (Unaudited) MYR'000	30 June 2019 (Unaudited) MYR'000	31 December 2018 (Unaudited) MYR'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	86,941	89,648	-	-
Investments in subsidiaries	-	-	2,414	2,414
	<u>86,941</u>	<u>89,648</u>	<u>2,414</u>	<u>2,414</u>
<b>Current assets</b>				
Inventories	3,066	2,613	-	-
Trade and other receivables	1,502	2,205	92,985	92,402
Pledged deposits	1,227	1,204	-	-
Cash and short-term deposits	26	268	7	8
	<u>5,821</u>	<u>6,290</u>	<u>92,992</u>	<u>92,410</u>
<b>Total assets</b>	<u>92,762</u>	<u>95,938</u>	<u>95,406</u>	<u>94,824</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	14,850	12,316	4,498	3,145
Loans and borrowings	7,994	8,281	-	-
	<u>22,844</u>	<u>20,597</u>	<u>4,498</u>	<u>3,145</u>
<b>Net current assets</b>	<u>(17,023)</u>	<u>(14,307)</u>	<u>88,494</u>	<u>89,265</u>
<b>Non-current liabilities</b>				
Loans and borrowings	6,313	7,074	-	-
<b>Total liabilities</b>	<u>29,157</u>	<u>27,671</u>	<u>4,498</u>	<u>3,145</u>
<b>Net assets</b>	<u>63,605</u>	<u>68,267</u>	<u>90,908</u>	<u>91,679</u>
<b>Equity attributable to owners of the Company</b>				
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	(96,204)	(91,542)	(68,901)	(68,130)
<b>Total equity</b>	<u>63,605</u>	<u>68,267</u>	<u>90,908</u>	<u>91,679</u>
<b>Total equity and liabilities</b>	<u>92,762</u>	<u>95,938</u>	<u>95,406</u>	<u>94,824</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 2019 (Unaudited)		As at 31 December 2018 (Unaudited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
7,994	-	8,281	-

**Amount repayable after one year**

As at 30 June 2019 (Unaudited)		As at 31 December 2018 (Unaudited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
6,313	-	7,074	-

**Details of any collateral**

The secured loans and borrowings comprised:

	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Unaudited)	Secured by
	MYR'000	MYR'000	
Term loans	6,469	6,965	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 loan for the purchase of office units	1,428	1,476	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	1,272	1,567	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	2,129	2,326	Charge on the leasehold quarry lands, pledged deposits, jointly and severally guaranteed by executive directors of the Group.
Bank overdrafts	2,002	2,014	Charge on the leasehold quarry lands and jointly and severally guaranteed by executive directors of the Group.
Bank overdrafts	1,007	1,007	Charge on the leasehold industrial land and jointly and severally guaranteed by executive directors of the Group.
	<u>14,307</u>	<u>15,355</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.**

	<b>Group</b>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>30 June 2019 (Unaudited) MYR'000</b>	<b>30 June 2018 (Unaudited) MYR'000</b>	<b>30 June 2019 (Unaudited) MYR'000</b>	<b>30 June 2018 (Unaudited) MYR'000</b>
<b>Operating activities</b>				
Loss before income tax	(2,295)	(1,913)	(4,662)	(3,508)
<b><u>Adjustments for:</u></b>				
Amortisation of leasehold lands	658	664	1,317	1,322
Depreciation of property, plant and equipment	706	683	1,389	1,388
Exploration expenditure	221	261	370	501
Interest income	(14)	(175)	(23)	(340)
Foreign exchange loss/(gain), net	-*	(3)	(1)	137
Finance costs	255	605	516	1,192
<b>Operating cash flows before changes in working capital</b>	<b>(469)</b>	<b>122</b>	<b>(1,094)</b>	<b>692</b>
<b><u>Changes in working capital</u></b>				
(Increase)/decrease in trade and other receivables	750	(376)	703	(118)
Increase in trade and other payables	951	1,482	2,534	1,597
Decrease/(Increase) in inventories	(252)	51	(452)	(514)
Net changes in working capital	1,449	1,157	2,785	965
<b>Cash generated from operations</b>	<b>980</b>	<b>1,279</b>	<b>1,691</b>	<b>1,657</b>
Exploration expenditure	(221)	(261)	(370)	(501)
Interest received	14	175	23	340
Interest paid	(255)	(605)	(516)	(1,192)
Income tax refunded	-*	-*	1	-*
<b>Net cash generated from operating activities</b>	<b>518</b>	<b>588</b>	<b>829</b>	<b>304</b>
<b>Investing activity</b>				
Purchase of property, plant and equipment	-	(190)	-	(590)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(190)</b>	<b>-</b>	<b>(590)</b>
<b>Financing activities</b>				
Repayment of term loans	(499)	(305)	(545)	(586)
Repayment of obligations under finance leases	(140)	(166)	(295)	(321)
Loan from director	-	49	-	1,006
Placement of pledged deposits	(14)	(648)	(23)	(655)
<b>Net cash used in from financing activities</b>	<b>(653)</b>	<b>(1,070)</b>	<b>(863)</b>	<b>(556)</b>
Net decrease in cash and cash equivalents	(135)	(672)	(34)	(842)
Cash and cash equivalents at beginning of period	(4,977)	(4,580)	(5,079)	(4,270)
Effect of exchange rate changes on cash and cash equivalents	-*	3	1	(137)
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>(5,112)</b>	<b>(5,249)</b>	<b>(5,112)</b>	<b>(5,249)</b>

\* Amount less than MYR500

**Note A: Cash and cash equivalents**

	<b>Group</b>	
	<b>Three Months Ended</b>	
	<b>30 June 2019 (Unaudited) MYR'000</b>	<b>30 June 2018 (Unaudited) MYR'000</b>
Cash and short-term deposits as per statement of financial position	26	394
Bank overdraft	(5,138)	(5,643)
Cash and cash equivalents as per statement of cash flow	(5,112)	(5,249)

**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**

<b>2QFY2019 (Unaudited)</b>	<b>Share Capital MYR'000</b>	<b>Accumulated Losses MYR'000</b>	<b>Treasury Shares MYR'000</b>	<b>Other Reserves MYR'000</b>	<b>Total Equity MYR'000</b>
Balance as at 1 April 2019	164,588	(93,909)	(9,086)	4,307	65,900
Loss for the period, representing total comprehensive loss for the period	-	(2,295)	-	-	(2,295)
Balance as at 30 June 2019	<u>164,588</u>	<u>(96,204)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>63,605</u>
Balance as at 1 April 2018	164,588	(84,646)	(9,086)	4,307	75,163
Profit for the period, representing total comprehensive profit for the period	-	(1,913)	-	-	(1,913)
Balance as at 30 June 2018	<u>164,588</u>	<u>(86,559)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>73,250</u>

**Company**

<b>2QFY2019 (Unaudited)</b>	<b>Share Capital MYR'000</b>	<b>Accumulated Losses MYR'000</b>	<b>Treasury Shares MYR'000</b>	<b>Other Reserves MYR'000</b>	<b>Total Equity MYR'000</b>
Balance as at 1 April 2019	164,588	(69,405)	(9,086)	4,307	90,404
(Loss)/Profit for the period, representing total comprehensive loss for the period	-	504	-	-	504
Balance as at 30 June 2019	<u>164,588</u>	<u>(68,901)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>90,908</u>
Balance as at 1 April 2018	164,588	(69,119)	(9,086)	4,307	90,690
Loss for the period, representing total comprehensive loss for the period	-	(175)	-	-	(175)
Balance as at 30 June 2018	<u>164,588</u>	<u>(69,294)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>90,515</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**

	<b>Number of issued shares (excluding treasury shares)</b>	<b>Share capital (MYR)</b>
<b>Balance as at 31 March 2019 and 30 June 2019</b>	<b>1,169,445,976</b>	<b>155,501,496</b>

As at 30 June 2019, the Company held 23,986,957 treasury shares (30 June 2018: 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 June 2019 and 30 June 2018. 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.**

	<b>As at 30 June 2019</b>	<b>As at 31 December 2018</b>
<b>Total number of issued shares excluding treasury shares</b>	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 2019, 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 as at the date of this announcement, being the latest audited financial statements of the Company.

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 impact on the financial statements of the Group and the Company for the financial year ended 31 December 2018 and 2QFY2019.

**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 per share "LPS"	Group			
	Three Months Ended		Six Months Ended	
	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)
Loss attributable to owners of the Company (MYR'000)	(2,295)	(1,913)	(4,662)	(3,508)
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 (MYR cents) <sup>(1)</sup>	(0.2)	(0.2)	(0.4)	(0.3)

**Notes:**

(1) The basic and diluted LPS are the same as there were no potentially dilutive securities in issue as at 30 June 2019 and 30 June 2018 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 2019	31 December 2018	30 June 2019	31 December 2018
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to the owners of the Company (MYR'000)	63,605	68,267	90,908	91,679
Net asset per share at the end of the period (MYR)*	0.05	0.06	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 June 2019 and 31 December 2018.

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 2019 ("2QFY2019") as compared to the three months ended 30 June 2018 ("2QFY2018").**

### **Consolidated Statement of Comprehensive Income**

#### Revenue

Revenue for the Group decreased due to the reduction of orders for both precipitated calcium carbonate ("**PCC**") and ground calcium carbonate ("**GCC**") stones amid the slowdown in the global economy.

#### Cost of sales

Cost of sales decreased due to the decline in quarrying activities, which is in line with the lower sales and due to the maintenance works carried out on the crushing plant at Hyper Act Quarries.

#### Gross profit/margin

The decrease in gross profit margin was mainly due to a higher proportion of sales of smaller-sized PCC crushed stones with lower margin from Gridland Quarry recorded in 2QFY2019, compared to a higher proportion of sales with better margin in 2QFY2018. This is due to the receipt of higher orders of smaller-sized PCC crushed stones from a local customer by Gridland.

#### Other items of income

##### *Interest income*

Interest income decreased due to the withdrawal of pledged deposits amounting to MYR21.0 million in 3QFY2018 for partial repayment of outstanding term loans in the same quarter.

#### Items of expense

##### *Foreign exchange loss, net*

The decrease in foreign exchange loss was mainly due to the depreciation of Malaysian Ringgit against the Singapore Dollar, arising from the conversion for payments to vendors paid in Singapore Dollars.

##### *Selling and distribution expenses*

Selling and distribution expenses decreased, which is in line with the lower sales recorded in 2QFY2019.

##### *Finance costs*

The decrease in finance costs was due to lower interest expenses incurred after the repayment of a significant amount of term loans in the third quarter of FY2018.

##### *Exploration expenditure*

Exploration expenditure decreased, as exploration activities reduced, due to the maintenance works carried out on the crushing plant at Hyper Act Quarries.

### **Consolidated Statement of Financial Position**

#### **Non-current assets**

Non-current assets decreased from 31 December 2018 mainly due to depreciation of property, plant and equipment and amortisation on leasehold lands

#### **Current assets**

Current assets decreased mainly due to:-

- a) a decrease in trade and other receivables in line with lower sales and the decrease of cash and short-term deposits was mainly due to lower collections from customers in the current quarter due to the lower sales in the corresponding period; offset by:-
- b) an increase in inventories mainly from the lower sales of crushed stones from both Gridland Quarry and Hyper Act Quarries.

#### **Non-current liabilities**

As at 30 June 2019, non-current liabilities decreased from 31 December 2018 mainly due to the reclassification loans and borrowings that are due in the next twelve months to current liabilities.

#### **Current liabilities**

Current liabilities increased mainly due to:-

- a) an increase in trade and other payables largely due to the slower payment to the trade creditors in the current quarter due to longer payment terms negotiated with the creditors; and
- b) a decrease in loans and borrowings mainly due to the repayment of loans, offset by reclassification of borrowings from non-current liabilities as mentioned above.

#### **Negative Working Capital**

As at 30 June 2019, the Group was at a negative working capital position of MYR17.0 million. The decrease in working capital of MYR2.7 million compared to as at 31 December 2018 is mainly due to the increase in trade payables and decrease in trade and other receivables during the quarter under review.

After taking into consideration the (i) continual support from the Group's lenders and stakeholders such as the creditors, vendors and suppliers who extended their credit terms to the Group and continue to provide us with uninterrupted supplies and services which will ease the cash outflow at this critical time faced by the Group, and (ii) the existing stream of revenue generated from sales of the limestones at Gridland Quarry is able to provide for the costs of operations, the Board is of the opinion that the Group is able to operate as a going concern and able to meet its obligations as they fall due and the Group's working capital is sufficient to meet its present requirements and for the next twelve months.

### **Consolidated Statement of Cash Flow**

The net cash generated from operating activities for 2QFY2019 is MYR0.5 million. The changes in working capital were mainly due to (i) a decrease in trade and other receivables, in line with the lower sales, (ii) an increase in inventories arising from lower levels of deliveries to customers as a result of a lower sales recorded; and (iii) an increase in trade and other payables due to the slower payments to vendors. Net cash used in financing activities was mainly due to the repayment of loans and borrowings.

**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 2019 dated 15 May 2019.

**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 has successfully negotiated to renew a contract for one year with an overseas' customer for sales from Gridland Quarry (PCC stones). The contract is expected to be signed at the end of August 2019 and the Group expects the sales to remain consistent in the next 12 months. We believe the income generated from the sales will continue to support the cost of operations for the Group. Our PCC crushed stones continue to garner the interest of limestones buyers due to the high quality and has continued to receive ad hoc orders amid the dampening economy outlook. However, sales from Hyper Act Quarries (GCC stones) are not expected to pick up in the near term, in view of the extended shutdown of the crushing operations for upgrading and maintenance works. As at the date of this announcement, major repair work is still in progress due to an underground water leakage that was discovered during the scheduled maintenance conducted in 1QFY2019. As such, the crushing operations is expected to resume in the next quarter instead. Notwithstanding this, the Group will continue to work hard to secure 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, and the reason(s) for the decision.**

No interim dividend for the second quarter ended 30 June 2019 has been recommended, as the Group was not profitable.

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.

#### ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

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

For the quarter ended 30 June 2019 (“2QFY2019”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development cost	200,000	-
<b>Total</b>	<b>200,000</b>	<b>-</b>

Variance Explanation:

No development activities took place at both quarries during 2QFY2019 as efforts were placed on maintenance works at Hyper Act Quarries.

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 2019 to 30 September 2019 (“3QFY2019”), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	300,000
<b>Total</b>	<b>300,000</b>

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.

15. **Rule 705 (7) 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;**

Hyper Act Quarries

In the quarter under review, Hyper Act Quarries had incurred a small amount of MYR3,000 on exploration activity in order to retrieve samples for testing. The main priority of Hyper Act Quarries is concentrating on the maintenance and repair works of the crusher plant which is expected to be completed in the next quarter. The delay in the completion of repair works is due to the difficulty in the identification of the numerous leakages from the water pipe buried underground which required extra time. There was no production of crushed stones at Hyper Act Quarries in 2QFY2019.

Gridland Quarry

Gridland Quarry had incurred MYR217,000 for exploration activities which involved blasting to open new faces in the current quarter under review. The Gridland Quarry produced 68,721 MT of crushed stones for 2QFY2019.

**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 2019 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  
14 August 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of 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)*