

GCCP RESOURCES LIMITED

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE DISCLAIMER OF OPINION ISSUED BY AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The board of directors (the “**Board**”) of GCCP Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on the disclaimer of opinion issued by auditor on the audited financial statements for the financial year ended 31 December 2018 released on 31 August 2019 and wishes to respond to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as follows:

SGX-ST’s Queries:

On 31 August 2019, the auditors have disclaimed the audited financial statements for the financial year ended 31 December 2018 due to (a) going concern issues; (b) inability to assess reasonableness and appropriateness of carrying value of the Group’s property, plant and equipment; and (c) inability to assess reasonableness and appropriateness of carrying values of cost of investments in subsidiaries and amounts due from subsidiaries.

In this regard, please get the Board to:

- assess the Group’s ability to continue operating as a going concern and the bases for the said assessment;
- opine whether trading of the Company’s shares should be suspended pursuant to Catalist Rule 1303(3); and
- confirm whether sufficient information has been disclosed to enable trading of the Company’s shares to continue in an orderly manner and the bases for its views.

The Company’s response:

The Board assessed that the Group is able to continue operating as a going concern based on the following bases provided by the Management of the Group:

- As at the end of July 2019, the Group had renewed an annual contract with an existing customer for a delivery of 150,000 MT of limestone for one year at a minimum of 10,000 MT per month to Indonesia. The said customer has been with the Group for more than 4 years and contracts with this customer had been renewed on an annual basis;
- As on 20 August 2019, a European customer has shown verbal commitment to enter into a one-year contract, for a delivery of at least 150,000 MT for the contract tenure. The said customer has been purchasing the Group’s products on ad-hoc basis and is now ready to enter into an annual contract;
- Revised cashflow forecast from September 2019 to September 2020, taking into consideration the above and measures to be undertaken by the Group to trim operating costs and general expenses. The Board has assessed and is duly satisfied that the Company is able to generate positive cash flow from operations and is able to meet its obligations as and when they fall due for the next twelve months; and

- The Executive Chairman and Chief Executive Officer and controlling shareholder of the Company, Mr Loo An Swee, has furnished an undertaking letter dated 3 September 2019 stating that he will provide interest-free financial support to the Group, as and when required (the "Undertaking"). The Board has assessed and is satisfied with the Undertaking. Mr Loo abstained from the deliberations relating to this matter.

The Group will continue to secure more contracts for the supply of its products, realign its operation processes and expenses, and looking at potential options, including but not limited to, corporate exercises, alliances with strategic parties to jointly develop its quarries, and sale or partial sale of its assets, to further improve its present cashflow situation.

Based on the fact that sales and operations are still ongoing, and efforts put in by the Group to further improve the current situation, the Board assessed that the carrying values of the Group's property, plant and equipment, and cost of investments in subsidiaries and amounts due from subsidiaries are reasonable and appropriate.

In view of the foregoing, the Board is of the view that the Company's shares should not be suspended pursuant to Catalist Rule 1303(3) and confirms that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner.

The Board wishes to advise Shareholders and potential investors to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Loo An Swee
Executive Chairman and Chief Executive Officer
4 September 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 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 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).