

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Financial Results for the Third Quarter Ended 30 September 2020

This announcement in respect of the Company's financial results for the third quarter ended 30 September 2020 is released pursuant to the SGX-ST's requirement for the Company to perform quarterly financial reporting pursuant to Rule 705(2) of the Catalist Rules. The requirement is in view of the modified opinion issued by the Company's statutory auditor ("Auditor") for the financial year ended 31 December 2018. Pursuant to the Company's announcement dated 11 August 2020, a modified opinion was issued by the Auditor for the financial year ended 31 December 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			Nine Months Ended		
	30 September 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000	Change %	30 September 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000	Change %
Revenue	1,550	2,300	(33)	4,759	7,510	(37)
Cost of sales	(1,111)	(1,755)	(37)	(3,814)	(5,180)	(26)
Gross profit	439	545	(19)	945	2,330	(59)
Other items of income						
Interest income	6	7	(14)	27	30	(10)
Rental income of equipment	191	27	607	375	72	421
Other income	43	1	4200	43	1	4200
Gain on disposal of property, plant and equipment	-	84	n.m.	-	84	n.m.
Items of expense						
Foreign exchange loss, net	-	-	-	-	(1)	n.m.
Selling and distribution expenses	(407)	(244)	67	(1,341)	(1,398)	(4)
General and administrative expenses	(1,789)	(2,155)	(17)	(5,158)	(6,999)	(26)
Finance costs	(20)	(247)	(92)	(205)	(763)	(73)
Loss before tax	(1,537)	(1,982)	(22)	(5,314)	(6,644)	(20)
Loss for the period, representing total comprehensive loss attributable to owners of the Company	(1,537)	(1,982)	(22)	(5,314)	(6,644)	(20)

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 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000	Change %	30 September 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000	Change %
	Interest income	6	7	(14)	27	30
Rental income of equipment	191	27	607	375	72	421
Gain on disposal of property, plant and equipment	-	84	n.m.	-	84	n.m.
Finance costs	(20)	(247)	(92)	(205)	(763)	(73)
Depreciation of leasehold lands	(669)	(658)	2	(1,980)	(1,975)	-
Depreciation of property, plant and equipment	(600)	(687)	(13)	(1,829)	(2,077)	(12)
Foreign exchange loss, net	-	-	-	-	(1)	n.m.
Exploration expenditure	-	(147)	n.m.	-	(517)	n.m.

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 2020 (Unaudited) MYR'000	31 December 2019 (Audited) MYR'000	30 September 2020 (Unaudited) MYR'000	31 December 2019 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	79,600	83,408	-	-
Investments in subsidiaries	-	-	2,414	2,414
	<u>79,600</u>	<u>83,408</u>	<u>2,414</u>	<u>2,414</u>
Current assets				
Inventories	2,478	2,341	-	-
Trade and other receivables	1,251	1,280	93,470	92,762
Fixed deposits - pledged	1,269	1,242	-	-
Cash and bank balances	31	87	-	6
	<u>5,029</u>	<u>4,950</u>	<u>93,470</u>	<u>92,768</u>
Total assets	<u>84,629</u>	<u>88,358</u>	<u>95,884</u>	<u>95,182</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	19,012	16,559	6,971	5,152
Tax payable	9	54	-	-
Borrowings	8,939	9,253	-	-
	<u>27,960</u>	<u>25,866</u>	<u>6,971</u>	<u>5,152</u>
Net current (liabilities)/assets	<u>(22,931)</u>	<u>(20,916)</u>	<u>86,499</u>	<u>87,616</u>
Non-current liabilities				
Borrowings	2,921	3,430	-	-
Total liabilities	<u>30,881</u>	<u>29,296</u>	<u>6,971</u>	<u>5,152</u>
Net assets	<u>53,748</u>	<u>59,062</u>	<u>88,913</u>	<u>90,030</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	(106,061)	(100,747)	(70,896)	(69,779)
Total equity	<u>53,748</u>	<u>59,062</u>	<u>88,913</u>	<u>90,030</u>
Total equity and liabilities	<u>84,629</u>	<u>88,358</u>	<u>95,884</u>	<u>95,182</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 2020 (Unaudited)		As at 31 December 2019 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
8,939	-	9,242	11

Amount repayable after one year

As at 30 September 2020 (Unaudited)		As at 31 December 2019 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
2,921	-	3,430	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2020 (Unaudited)	As at 31 December 2019 (Audited)	Secured by
	MYR'000	MYR'000	
Term loan	5,004	5,522	A first party first and second legal charge on leasehold quarry lands, personal guarantee executed by a director, corporate guarantee executed by the Company and debenture over fixed and floating charges.
Term loan for the purchase of office units	1,242	1,302	A first party first and second legal charge on leasehold quarry lands and office units, charge on fixed deposits, joint and several guarantees of a director of the Company and a former director of the Company and debenture over fixed and floating charges.
Obligations under finance leases	617	823	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	2,000	2,015	A first party first and second legal charge on leasehold land and buildings, pledge of first party fixed deposit receipt together with Memorandum of Legal Charge over Deposit and Letter of Set-Off; and debenture over fixed and floating charge.
Bank overdrafts	1,997	2,014	A first party first and second legal charge on leasehold land and buildings and debenture over fixed and floating charge.
Bank overdrafts	1,000	1,007	Charge on the leasehold land of the Company, corporate guarantee by the Holding Company and guarantee by a director of the Company.
	<u>11,860</u>	<u>12,683</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 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000
Operating activities				
Loss before income tax	(1,537)	(1,982)	(5,314)	(6,644)
Adjustments for:				
Depreciation of leasehold lands	669	658	1,980	1,975
Depreciation of property, plant and equipment	600	687	1,829	2,077
Gain on disposal of property, plant and equipment	-	(84)	-	(84)
Exploration expenditure	-	147	-	517
Interest income	(6)	(7)	(27)	(30)
Foreign exchange loss, net	-	-	-	(1)
Finance costs	20	247	205	763
Operating cash flows before changes in working capital	(254)	(334)	(1,327)	(1,427)
Changes in working capital				
(Increase)/Decrease in trade and other receivables	(506)	400	(188)	1,104
Increase in trade and other payables	837	759	2,624	3,293
Decrease/(Increase) in inventories	(46)	194	(137)	(259)
Net changes in working capital	285	1,353	2,299	4,138
Cash generated from operations	31	1,019	972	2,711
Exploration expenditure	-	(147)	-	(517)
Interest received	6	7	27	30
Income tax (paid)/refunded	-	-	(4)	(1)
Net cash generated from operating activities	37	879	995	2,223
Investing activity				
Purchase of property, plant and equipment	-	(6)	1	(6)
Proceeds from disposal of property, plant and equipment	-	253	-	253
Net cash generated from investing activities	0	247	1	247
Financing activities				
Repayment of term loans	-	(516)	(579)	(1060)
Repayment of lease liabilities	(56)	(325)	(207)	(620)
Loan (repaid to)/from director	(68)	-	5	-
Interest paid	(20)	(247)	(205)	(763)
Placement of pledged deposits	(6)	(7)	(27)	(30)
Net cash used in financing activities	(150)	(1,095)	(1,013)	(2,473)
Net increase/(decrease) in cash and cash equivalents	(113)	31	(17)	(3)
Cash and cash equivalents at beginning of period	(4,854)	(5,112)	(4,950)	(5,079)
Effect of exchange rate changes on cash and cash equivalents	-	-	-	1
Cash and cash equivalents at end of the period (Note A)	(4,967)	(5,081)	(4,967)	(5,081)

Note A: Cash and cash equivalents

	Group	
	30 September 2020 (Unaudited) MYR'000	30 September 2019 (Unaudited) MYR'000
Cash and bank balances as per statement of financial position	31	26
Bank overdraft	(4,998)	(5,107)
Cash and cash equivalents as per statement of cash flows	(4,967)	(5,081)

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

3QFY2020 (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 2020	164,588	(104,524)	(9,086)	4,307	55,285
Loss for the period, representing total comprehensive loss for the period	-	(1,537)	-	-	(1,537)
Balance as at 30 September 2020	<u>164,588</u>	<u>(106,061)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>53,748</u>
Balance as at 1 July 2019	164,588	(96,204)	(9,086)	4,307	63,605
Loss for the period, representing total comprehensive loss for the period	-	(1,982)	-	-	(1,982)
Balance as at 30 September 2019	<u>164,588</u>	<u>(96,186)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>61,623</u>

Company

3QFY2020 (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 2020	164,588	(70,459)	(9,086)	4,307	89,350
Loss for the period, representing total comprehensive loss for the period	-	(437)	-	-	(437)
Balance as at 30 September 2020	<u>164,588</u>	<u>(70,896)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>88,913</u>
Balance as at 1 July 2019	164,588	(68,901)	(9,086)	4,307	90,908
Loss for the period, representing total comprehensive loss for the period	-	(1,157)	-	-	(1,157)
Balance as at 30 September 2019	<u>164,588</u>	<u>(70,058)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>89,751</u>

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020 and 30 September 2020	1,169,445,976	155,501,496

As at 30 September 2020, the Company held 23,986,957 treasury shares (30 September 2019: 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 2020 and 30 September 2019. 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 2020	As at 31 December 2019
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 during and 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 modifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issues

The auditors have issued a disclaimer of opinion on the Group's financial statements for the financial year ended 31 December 2019 ("FY2019") the basis for which has been disclosed on pages 57 to 60 of the Company's Annual Report for FY2019 ("AR2019"). The same audit issues, save for the opening balances of 1 January 2019, were also the bases for the auditors of the Group's financial statements for the financial year ended 31 December 2018 ("FY2018") to issue a disclaimer of opinion for FY2018 as disclosed in Note 28 of AR2019.

Efforts taken to address and resolve each outstanding audit issue are as follows:

(1) Appropriateness of the Going Concern Assumption

- (i) The Group has obtained continual support from the Group's and the Company's lenders and stakeholders such as the creditors, vendors and suppliers who extended their credit terms to the Group and the Company and continue to provide uninterrupted supplies and services which will ease the cash outflow for the Group and the Company;
- (ii) The Group continues to generate revenue from the sales of the crushed stones at Gridland Quarry and the expected revenue from Hyper Act Quarries, after the repair works are completed, to provide for the costs of operations for the Group and the Company; and
- (iii) The Group continues to monitor and optimize its headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company.

(2) Impairment assessment of property, plant and equipment

For FY2019, management performed an impairment assessment to determine the recoverable amounts of the Group's property, plant and equipment based on value-in-use computations. Assumptions used for the computations, as disclosed in Note 3 of AR2019, were based on the going concern of the Group. Given the material uncertainties over the going concern of the Group, the auditors are unable to assess the reasonableness and appropriateness of the net carrying values of the Group's property, plant and equipment. Henceforth, this audit issue arises due to the Appropriateness of the Going Concern Assumption. As such, efforts taken to address and resolve this audit issue are identical to that for the Appropriateness of the Going Concern Assumption mentioned above.

(3) Impairment assessment of investments in subsidiaries and amounts due from subsidiaries

The material uncertainties over the going concern of the Group leads to the auditors being unable to assess (i) the reasonableness and appropriateness of the net carrying values of the Group's property, plant and equipment, and (ii) if the disclosure of credit risk with respect to the Company's amounts due from subsidiaries, as disclosed in Note 23(b) of the AR2019, is appropriate. Henceforth, this audit issue arises due to the Appropriateness of the Going Concern Assumption. As such, efforts taken to address and resolve this audit issue are identical to that for the Appropriateness of the Going Concern Assumption mentioned above.

(4) Comparative figures

This audit issue arises due to the disclaimer of opinion on the financial statements for FY2018 by the Group's previous auditor, Ernst & Young LLP, which affects the opening balances as at 1 January 2019 entered into for the determination of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for FY2019. As such, the auditors are unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for FY2019. The root cause for the disclaimer of opinion for FY2018 was the Appropriateness of the Going Concern Assumption. As such, efforts taken to address and resolve this audit issue are identical to that for the Appropriateness of the Going Concern Assumption mentioned above.

(b) Confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that the impact of all outstanding audit issues on the financial statements of the Group for FY2019 have been adequately disclosed.

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 new International Financial Reporting Standards ("IFRSs") and amendments to and interpretations of IFRSs applicable for the financial period beginning on or after 1 January 2020 as disclosed in Paragraph 5 below, 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 2019, being the latest audited financial statements of the Company as at the date of this announcement.

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.

The adoption of the 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.

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		Nine Months Ended	
	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)
Loss attributable to owners of the Company (MYR'000)	(1,537)	(1,982)	(5,314)	(6,644)
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 Loss per ordinary share (MYR cents) ⁽¹⁾	(0.1)	(0.2)	(0.5)	(0.6)

Notes:

(1) *The basic and diluted Loss per ordinary share are the same as there were no potentially dilutive securities in issue as at 30 September 2020 and 30 September 2019 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 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	53,748	59,062	88,913	90,030
Net asset per share at the end of the period (MYR)*	0.05	0.05	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 2020 and 31 December 2019.

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 2020 ("3QFY2020") as compared to the three months ended 30 September 2019 ("3QFY2019").

Consolidated Statement of Comprehensive Income

Revenue

The decrease in quarterly revenue was mainly due to:

- (1) the slow pick up of sales post-MCO period ("Movement Control Order" from 10 June 2020 onwards); and
- (2) the uncertain global economic performance as a result of Covid-19 pandemic.

(Note: The MCO started on 18 March 2020 and ended on 8 June 2020. The Company was back to full operations on 10 June 2020.)

Cost of sales

Cost of sales decreased due to the decline in quarrying activities during the MCO period and corresponded with the drop in revenue.

Gross profit margin

The Gross Profit Margin of **28%** for 3QFY2020 is higher than 3QFY2019 of **24%** due to cheaper material handling rate in 3QFY2020.

Other items of income

The increase was mainly due to the increase in rental income of equipment to the outsourced quarrying contractors, as more machinery were rented out.

The increase in other income of MYR43,200 relates to the Government Subsidy and Grant ("Prihatin Rakyat Economic Stimulus Package (PRIHATIN)") received by Hyper Act Marketing Sdn Bhd (now known as "GCCP Marble Sdn Bhd") during Covid-19 pandemic period.

Items of expense

-Selling and distribution expenses

The increase in selling and distribution expenses was mainly due to higher transportation expenses incurred in 3Q2020 compared against the corresponding period in FY2019. The higher transportation costs was due to additional safety protocols and measures needed during the ongoing pandemic period.

-General and admin expenses

The decrease in general and admin expenses was mainly due to (i) the reduction in staff remuneration and staff-related expenses as a result of inactivity at the Hyper Act Quarries and the optimization of headcount; and (ii) decrease in professional fees such as audit fees, and administrative expenses such as conservancy of approximately MYR450,000, as a result of the Group's drive to contain costs.

-Finance costs

The decrease in finance cost was contributed by the 6 month automatic payment deferment grant (“**Deferment Grant**”) granted by financial institutions in Malaysia to defer all loan, financing repayments and payments, including principal and interest for a period of six months from 1 April 2020 till 30 September 2020.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased against 31 December 2019 mainly due to depreciation of property, plant and equipment and leasehold lands.

Current assets

Current assets decreased mainly due to a decrease in trade and other receivables, which was in line with lower sales as a result of the MCO; which was offset by an increase in inventories as a result of the stockpile post-MCO period, and slow movement of stock caused by the sluggish market demand.

Non-current liabilities

As at 30 September 2020, non-current liabilities decreased against 31 December 2019 mainly due to the reclassification of loans and borrowings that are due in the next twelve months to current liabilities of approximately MYR1 million.

Current liabilities

Current liabilities increased mainly due to:-

- a) an increase in trade and other payables largely as a result of slower payment to trade creditors from longer payment terms granted by the creditors, and
- b) an increase in borrowings due mainly to the reclassification of non-current borrowings to current borrowings of approximately MYR1 million.

Negative Working Capital

As at 30 September 2020, the Group was at a negative working capital position of MYR22.9 million. The increase in negative working capital of MYR2 million compared to as at 31 December 2019 was mainly due to the combination of the increase in trade payables and the decrease in trade and other receivables, and reclassification of outstanding borrowings from non-current to current during the quarter under review.

After taking into consideration the following:-

- (a) 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;
- (b) existing stream of revenue generated from sales of the limestones at Gridland Quarry is able to provide for the costs of operations;
- (c) continuous monitoring and optimization of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company;
- (d) undertaking by a Director to provide interest-free financial support to the Company whenever necessary; and

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 in 3QFY2020 was approximately MYR37,000.

Operating Activities

The net cash generated from operating activities was MYR37,000, mainly due to the increase of trade and other payables as a result of extended credit terms by suppliers and creditors, and decrease in trade and other receivables due to prompt payment from customers.

Financing Activities

Net cash used in financing activities was MYR150,000 primarily due to repayment of obligations under term loans, finance leases with the finance interest, and repayment of loan to Director of the Company.

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 2020 dated 14 August 2020.

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.

Due to the impact from the COVID-19, we are expecting slower sales in the near future as the consumption of limestone will be reduced as a result of lesser economic activities. Nevertheless, GCCP Gridland Quarry will continue to deliver high quality PCC crushed limestone to the existing customers while the Group is actively looking for more sales in the next 12 months.

The repair works at GCCP Marble Quarries (formerly known as Hyper Act Quarries) has resumed since June 2020 and the repair works are expected to complete by the end of FY2020.

The tests on the marble-grade verification and marble industry market studies has been delayed due to the lockdown at Malaysia, as the marble experts from overseas are not able to visit the quarry until end of FY2020. The Group will endeavour to apply the permits to allow the oversea marble experts to come in for the evaluation as soon as possible. In line with the focus to also break into the marble industry, Hyper Act Marketing Sdn Bhd has changed its name to GCCP Marble Sdn Bhd per announcement made on 5 November 2020.

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 third quarter ended 30 September 2020 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 Catalist Listing Manual

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

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development cost	150,000	-
Total	150,000	-

Variance Explanation:

No development activities took place during 3QFY2020 as the efforts were placed on increasing production.

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 2020 to 31 December 2020 ("4QFY2020")), the Company's use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	150,000
Total	150,000

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 did not incur any cost on exploration activity. The main priority of Hyper Act Quarries is concentrating on the maintenance and repair works of the crusher plant. There was no production of crushed stones at Hyper Act Quarries in 3QFY2020.

Gridland Quarry

Gridland Quarry had equally not incurred exploration activities which involved blasting to open new faces in the current quarter under review. The Gridland Quarry produced 51,365 MT of crushed stones for 3QFY2020.

16. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Not Applicable. There was no incorporation of new entities, acquisition, and realisation of shares in 3QFY2020.

17. 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.

18. 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 2020 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
GCCP RESOURCES LIMITED**

Loo An Swee, Alex
Executive Director and CEO
12 November 2020

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.