

GCCP RESOURCES LIMITED



GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

This announcement in respect of the Company's financial results for the fourth quarter and full year ended 31 December 2022 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 2021. Pursuant to the Company's announcement dated 13 April 2022, a disclaimer of opinion was issued by the Auditor for the financial year ended 31 December 2021.

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2022

GCCP RESOURCES LIMITED



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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income
Year Ended 31 December 2022**

	Group					
	Three Months Ended			Financial Year Ended		
	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Unaudited) MYR'000	Change %	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited)* MYR'000	Change %
Revenue	2,179	2,247	(3)	8,424	5,956	41
Cost of sales	(1,969)	(894)	120	(7,109)	(5,747)	24
Gross profit / (loss)	210	1,353	(84)	1,315	209	529
Other items of income						
Interest income	7	7	n.m.	7	7	n.m.
Rental income of equipment	-	-	n.m.	4	108	(96)
Gain on disposal of property, plant and equipment	40	-	n.m.	40	-	n.m.
Other Income	1	32	(97)	1	46	(98)
Items of expense						
Foreign exchange (loss)/gain, net	-	(37)	n.m.	-	(118)	n.m.
Selling and distribution expenses	-	9	n.m.	(3)	-	n.m.
General and administrative expenses	(1,874)	(1,968)	(5)	(7,144)	(7,779)	(8)
Finance costs	(193)	(316)	(39)	(707)	(593)	19
Other expenses	(23)	(23)	n.m.	(23)	-	n.m.
Loss before tax	(1,832)	(943)	94	(6,510)	(8,120)	(20)
Income tax expense						
Loss for the period, representing total comprehensive loss for the period	(1832)	(943)	94	(6,510)	(8,120)	(20)
Loss for the period, representing total comprehensive loss attributable to:						
-Owners of the Company	(1,832)	(943)	94	(6,510)	(8,120)	(20)
Loss per share for loss for the period attributable to owners of the Company during the period:						
Basic (MYR Cents)	(0.14)	(0.07)		(0.48)	(0.64)	
Diluted (MYR Cents)	(0.14)	(0.07)		(0.48)	(0.64)	

n.m. — not meaningful

* Updated as per audited report.

Loss before tax for the period is arrived at after charging the following:

	Group					
	Three Months Ended			Financial Year Ended		
	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Unaudited) MYR'000	Change %	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited) MYR'000	Change %
Interest income	7	7	n.m.	7	7	n.m.
Rental income of equipment	-	-	n.m.	4	108	(96)
Gain on disposal of property, plant and equipment	40	-	n.m.	40	-	n.m.
Finance costs	(193)	(316)	(39)	(707)	(593)	19
Depreciation of leasehold quarry lands	(626)	(660)	(5)	(2,606)	(2,639)	(1)
Depreciation of property, plant and equipment	(407)	(440)	(8)	(2,269)	(2,267)	n.m.
Foreign exchange (loss)/gain, net	-	(37)	n.m.	-	-	n.m.

n.m. – not meaningful

**B. Condensed interim statements of financial position
As at 31 December 2022**

	Group		Company	
	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited) MYR'000	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	62,894	76,029	-	-
Investments in subsidiaries*	-	-	117,414	2,414
	<u>62,894</u>	<u>76,029</u>	<u>117,414</u>	<u>2,414</u>
Current assets				
Assets held for sales	11,523	-	-	-
Inventories	503	772	-	-
Trade and other receivables	2,995	2,094	-	99,966
Tax recoverable	6	6	-	-
Pledged deposits	384	377	-	-
Cash and short-term deposits	45	355	-	-
	<u>15,456</u>	<u>3,604</u>	<u>-</u>	<u>99,966</u>
Total assets	<u>78,350</u>	<u>79,633</u>	<u>117,414</u>	<u>102,380</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	23,130	18,000	16,676	5,514
Loans and borrowings	8,034	8,263	-	-
Tax payable	48	48	-	-
	<u>31,212</u>	<u>26,311</u>	<u>16,676</u>	<u>5,514</u>
Net current (liabilities)/assets	<u>(15,756)</u>	<u>(22,707)</u>	<u>(16,676)</u>	<u>94,452</u>
Non-current liabilities				
Loans and borrowings	1,713	1,387	-	-
Total liabilities	<u>32,925</u>	<u>27,698</u>	<u>16,676</u>	<u>5,514</u>
Net assets	<u>45,425</u>	<u>51,935</u>	<u>100,738</u>	<u>96,866</u>
Equity attributable to owners of the Company				
Share capital	173,801	173,801	173,801	173,801
Treasury shares	(9,086)	(9,086)	(9,086)	(9,086)
Other reserves	4,307	4,307	4,307	4,307
Accumulated losses	(123,597)	(117,087)	(68,284)	(72,156)
Total equity	<u>45,425</u>	<u>51,935</u>	<u>100,738</u>	<u>96,866</u>
Total equity and liabilities	<u>78,350</u>	<u>79,633</u>	<u>117,414</u>	<u>102,380</u>

*As announced on 2 December 2022, in compliance with the International Financial Reporting Standard (IFRS), these advances that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The Classifications of these amounts from liability to equity is due to the intention of the Company to treat these amounts as long-term source of capital contribution to the subsidiaries. As the amounts are, in substance, part of the Company's net investments in the subsidiaries, these are stated at cost less accumulated impairment losses, if any.

C. Condensed interim consolidated statements of cash flows
Period ended 31 December 2022

	Group			
	Three Months Ended		Financial Year Ended	
	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Unaudited) MYR'000	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited) MYR'000
Operating activities				
Loss before tax	(1,832)	(943)	(6,510)	(8,120)
Adjustments for:				
Depreciation of leasehold quarry lands	626	660	2,606	2,639
Depreciation of property, plant and equipment	407	440	2,269	2,267
Gain on disposal of property, plant and equipment	(40)	-	(40)	-
Inventories written down	-	-	-	23
Interest income	(7)	(7)	(7)	(7)
Interest expense	193	316	707	593
Operating cash flows before changes in working capital	(653)	466	(975)	(2,605)
Changes in working capital				
(Increase)/Decrease in trade and other receivables	(156)	(1,008)	(901)	(780)
Increase/ (Decrease) in trade and other payables	1,830	2,081	3,232	(1,547)
(Increase)/Decrease in inventories	114	239	270	1,234
Net changes in working capital	1,788	1,312	2,601	(1,093)
Cash generated from/ (used in) operations	1,135	1,778	1,626	(3,698)
Interest received	7	7	7	7
Income tax paid	-	(1)	-	(1)
Net cash generated from/(used in) operating activities	1,142	1,784	1,633	(3,692)
Investing activity				
Purchase of property, plant and equipment	(979)	(1,244)	(3,264)	(1,612)
Proceed from disposal of property, plant and equipment	40	-	40	-
Net cash used in investing activities	(939)	(1,244)	(3,224)	(1,612)
Financing activities				
Proceeds/(Usage) from issuance of share capital	-	(111)	-	9,213
Repayment of term loans	(400)	257	(2,304)	(156)
Increase/(Repayment) of lease liabilities	11	-	(125)	(97)
Increase in pledged deposits	(7)	(6)	(7)	(6)
Advance from/(Repayment to) directors	298	(1,554)	1,849	(2,172)
Advances from/(to) related parties	30	(16)	1,065	899
Interest paid	(193)	(316)	(707)	(593)
Net cash generated from financing activities	(261)	(1,746)	(229)	7,088
Net (decrease)/increase in cash and cash equivalents	(58)	(1,206)	(1,820)	1,784
Cash and cash equivalents at beginning of period	(4,903)	(1,935)	(3,141)	(4,925)
Cash and cash equivalents at end of the period (Note A)	(4,961)	(3,141)	(4,961)	(3,141)

Note A: Cash and cash equivalents

	Group	
	Financial Year Ended	
	31 December 2022 (Unaudited) MYR'000	31 December 2021 (Audited) MYR'000
Cash and short-term deposits as per statement of financial position	45	355
Bank overdraft	(5,006)	(3,496)
Cash and cash equivalents as per statement of cash flow	(4,961)	(3,141)

D. Condensed interim statements of changes in equity
Period ended 31 December 2022

Group

4Q2022 (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 October 2022	173,801	(121,765)	(9,086)	4,307	47,257
Loss for the period, representing total comprehensive loss for the period	-	(1,832)	-	-	(1,832)
Balance as at 31 December 2022	<u>173,801</u>	<u>(123,597)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>45,425</u>
4Q2021 (Unaudited)					
Balance as at 1 October 2021	173,801	(116,144)	(9,086)	4,307	52,878
Loss for the period, representing total comprehensive loss for the period	-	(943)	-	-	(943)
Balance as at 31 December 2021	<u>173,801</u>	<u>(117,087)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>51,935</u>

Company

4Q2022 (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 October 2022	173,801	(73,432)	(9,086)	4,307	95,590
Profit for the period, representing total comprehensive income for the period	-	5,148	-	-	5,148
Balance as at 31 December 2022	<u>173,801</u>	<u>(68,284)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>100,738</u>
4Q2021 (Unaudited)					
Balance as at 1 October 2021	173,801	(72,648)	(9,086)	4,307	96,374
Profit for the period, representing total comprehensive income for the period	-	492	-	-	492
Balance as at 31 December 2021	<u>173,801</u>	<u>(72,156)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>96,866</u>

E. Notes to the interim consolidated financial statements

1. Corporate information

GCCP Resources Limited (the Company) is incorporated in the Cayman Islands and whose shares are publicly traded on the Catalist of the Singapore Exchange. These consolidated financial statements as at and for the fourth quarter and full year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the Group). The primary activity of the Company is that of investment holding.

The principal activities of the Group are in the quarrying, processing and sale of limestone and marble.

2. Basis of Preparation

The interim financial statements as at and for the fourth quarter and full year ended 31 December 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysian Ringgit (MYR) which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

New and revised standards that are adopted

In the current financial period and financial year, the Group has adopted all the new and revised IFRS issued by the IASB and Interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC Interpretations") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC Interpretations.

The adoption of these new and revised IFRS and IFRIC Interpretations did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the fourth quarter and full year ended 31 December 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company in the period of initial application.

There are no new standards, amendments to standards and interpretations, effective for annual periods beginning on or after 1 January 2022, which will result in a significant impact on the interim consolidated financial statements of the Group.

2.2. Use of judgements and estimates

In preparing the interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

Going concern assumption

The prolonged COVID-19 pandemic and its after effects on supply chains and businesses' strategies of customers, suppliers and business partners, in general, have brought about uncertainties to the Group's and the Company's operating environments and impacted the Group's operations in Malaysia and its financial performance, cash flows and liquidity during the financial year and subsequent to the reporting period.

Nevertheless, the Board of Directors of the Company is of the view that the going concern assumption is appropriate for the preparation of these financial statements after taking into consideration:

- (i) the continual support from the Group's and the Company's lenders and stakeholders;
- (ii) the revenue from sales of the limestones at GCCP Gridland Sdn. Bhd. ("GCCP Gridland") Quarry and the expected revenue from GCCP Marble Sdn. Bhd. ("GCCP Marble") Quarry;
- (iii) the monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company; and
- (iv) the recent proposed disposal of quarry assets by the subsidiary – GCCP Gridland Sdn Bhd (as announced on 9 November 2022), which is expected to complete in the first quarter of the financial year 2023 ("FY2023").

Hence, the Board of Directors is of the opinion that the Group and the Company are able to operate as a going concern and able to meet their obligations as they fall due and the Group's and the Company's working capital are sufficient to meet their present requirements at least for the next twelve months.

Key sources of estimation uncertainty

Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows. These value in use calculations require the use of considerable judgements, estimates and assumptions. Changes in these assumptions and estimates could have a material effect on the determination of the recoverable amount of the asset or cash generating unit.

Property, plant and equipment

In view of the Group's net loss during the financial year ended 31 December 2022, which is an indication of impairment, management carried out a review of the recoverable amounts of the Group's property, plant and equipment.

The recoverable amounts of the Group's property, plant and equipment are determined based on value in use calculations using cash flow projections from forecasts approved by management covering a period till 2043, upon expiry of the leasehold quarry lands. The cash flow projections for

GCCP Gridland and GCCP Marble Quarries were extended for another 60 years, even though the Group's legal entitlement to the cash flows from beyond 2043 has not been established. Management believes that the renewals of the lease of the GCCP Gridland Quarry and GCCP Marble Quarries are probable.

Based on the assessment, management determined that no impairment is required on the Group's property, plant and equipment as their recoverable amounts exceeded the net carrying values as at 31 December 2022.

Investments in subsidiaries

The recoverable amounts of the investments in subsidiaries were determined based on the same set of value in use calculations prepared for the subsidiaries' mining operations, which is used in the impairment assessment of the Group's property, plant and equipment above.

Based on management's assessment, no further impairment on the Company's investments in subsidiaries are necessary at the end of the reporting period.

Calculation of allowance for impairment for financial assets at amortised cost

When measuring Expected Credit Loss ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segmented and revenue information

Segment reporting is not required as the Group operates only in one segment. Its activities relate to quarrying, processing and sale of limestone. All activities are carried out in Malaysia.

Revenue is recognised at point in time when the limestones are delivered to the customers.

	Group			
	Three Months Ended		Financial Year Ended	
	December-	December-	December-	December-
	2022	2021	2022	2021
	MYR'000	MYR'000	MYR'000	MYR'000
Primary geographical market				
Malaysia	2,179	2,247	8,424	5,956
	2,179	2,247	8,424	5,956

6. Categories of financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	The Group		The Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	MYR'000	MYR'000	MYR'000	MYR'000
Financial Assets				
Trade and other receivables	2,995	2,094	-	99,966
Pledged deposit	384	377	-	-
Cash and bank balances	45	355	-	-
Total financial assets at amortised cost	3,424	2,826	-	99,966
Financial Liabilities				
Trade and other payables	23,130	18,000	16,676	5,514
Loan and borrowings	9,747	9,650	-	-
Total financial liabilities at amortised cost	32,877	27,650	16,676	5,514

7. Loss before tax

7.1 Significant items

	Group			
	Three Months Ended		Financial Year Ended	
	December- 2022 (Unaudited) MYR'000	December- 2021 (Unaudited) MYR'000	December- 2022 (Unaudited) MYR'000	December- 2021 (Audited) MYR'000
Audit fees payable to:				
- auditor of the Company	80	80	320	329
Depreciation of leasehold quarry lands	626	660	2,606	2,639
Depreciation of property, plant and equipment	407	440	2,269	2,267
Remuneration of the directors of the Company:				
- salaries and related costs	312	154	773	1,025
- fees	120	120	480	480
Remuneration of staff:				
- salaries and related costs	455	268	1,816	1,854
Rental expenses	86	5	329	161
Interest expenses	193	316	707	593
Interest income	(7)	(7)	(7)	(7)
Total	2,272	2,036	9,293	9,341

7.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

8. Income tax expense

There are no tax expenses for the Group and Company for the twelve months period as the entities are in the loss status.

9. 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		Full Year Ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Loss attributable to owners of the Company (MYR'000)	1,832	943	6,510	8,120
Weighted average number of ordinary shares ⁽¹⁾	1,356,945,976	1,275,910,017	1,356,945,976	1,275,910,017
Basic and diluted LPS (MYR cents) ⁽²⁾	0.14	0.07	0.48	0.64

(1) The difference in weighted average number of ordinary shares is due to the placement exercise during June 2021.

(2) The difference in the basic and diluted LPS is due to the placement exercise during June 2021. There were no potentially dilutive securities in issue as at 31 December 2022 and 31 December 2021 respectively.

10. Dividends

No dividend has been recommended for the full year ended 31 December 2022 (31 December 2021: Nil).

11. 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	
	31 December 2022 (Unaudited)	31 December 2021 (Audited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
	Net asset value attributable to the owners of the Company (MYR'000)	45,425	51,935	100,738
Net asset value per ordinary share at the end of the period (MYR)*	0.03	0.04	0.07	0.08

*The calculation of net asset value per ordinary share (excluding treasury shares) was based on 1,356,945,976 ordinary shares as at 31 December 2022 and 31 December 2021 respectively.

12. Property, plant and equipment

During the twelve months ended 31 December 2022, the Group acquired assets amounting to MYR3,264,000 (31 December 2021: MYR1,612,000) with depreciation amounting to MYR4,875,000 (31 December 2021: MYR4,906,000). The disposal of asset amounted to MYR40,000 for the year ended 31 December 2022 (31 December 2021: Nil).

As announced on 9 November 2022 with SGX Exchange, the proposed disposal of quarry assets (2 quarry lands and crusher plant) by GCCP Gridland Sdn Bhd for a consideration of MYR25,620,300 (equivalent to USD5.4Million) have net book value amounting to MYR11,522,907, which is currently classified as "Assets held for sales", pending the completion of the disposal which is expected to be completed in the first quarter of FY2023.

13. Borrowings

Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
8,034	-	8,263	-

Amount repayable after one year

As at 31 December 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
1,713	-	1,387	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 31 December 2022 (Unaudited)	As at 31 December 2021 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	2,435	4,433	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	1,052	1,255	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.
Lease liability	1,255	466	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	1,999	894	A first party first and second legal charge on leasehold quarry 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	1,999	1,596	A first party first and second legal charge on leasehold quarry land and buildings and debenture over fixed and floating charge.
Bank overdrafts	1,007	1,006	Charge on the leasehold quarry land of the Company, corporate guarantee by the Holding Company and guarantee by a director of the Company.
	<u>9,747</u>	<u>9,650</u>	

14. Share capital

- (i) 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 31 December 2021 and 31 December 2022	<u>1,356,945,976</u>	<u>164,714,731</u>

As at 31 December 2022, the Company held 23,986,957 treasury shares (31 December 2021: 23,986,957), equivalent to 1.74% (31 December 2021: 1.74%) 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 31 December 2022 and 31 December 2021. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or GCCP Employee Share Option Scheme since adoption.

- (ii) 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 31 December 2022	As at 31 December 2021
Total number of issued shares excluding treasury shares	1,356,945,976	1,356,945,976

- (iii) 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.

- (iv) 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.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

**Other Information Required by
Appendix 7C of the Catalist Rules**

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. Review

The consolidated statement of financial position of GCCP Resources Limited and its subsidiaries as at 31 December 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fourth quarter and full year then ended and certain explanatory notes have not been audited or reviewed.

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)

(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 2021 ("FY2021") the basis for which has been disclosed on pages 68 to 70 of the Company's Annual Report for FY2021 ("AR2021").

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

(1) Appropriateness of the Going Concern Assumption

- (i) The 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 at this critical time faced by the Group and the Company;
- (ii) The existing stream of revenue generated from sales of the limestones at Gridland Quarry and the expected revenue from GCCP Marble (formerly Hyper Act) Quarries are able to provide for the costs of operations for the Group and the Company;
- (iii) The monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company; and
- (iv) As disclosed in the Company's announcements dated 9 November 2022, the proposed disposal of quarry assets by GCCP Gridland Sdn Bhd, which is expected to be completed in the first quarter of FY2023. Should the Proposed Disposal materialize and be completed, the resultant sale proceeds are expected to ease the majority of the cashflow requirements of the Group and the Company.

(2) Impairment assessment of property, plant and equipment

For FY2021, 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 AR2021, 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 22(b) of the AR2021, 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.

(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 FY2021 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 2022 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 2022, 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. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of 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 31 December 2022 ("4QFY2022") as compared to the three months ended 31 December 2021 ("4QFY2021"), and full year ended 31 December 2022 compared against full year ended 31 December 2021.

Consolidated Statement of Comprehensive Income

	Three Months Ended	Three Months Ended	+ / (-)	+ / (-)	Full Year Ended	Full Year Ended	+ / (-)	+ / (-)
	31-Dec-22	31-Dec-21			31-Dec-22	31-Dec-21		
	MYR' 000	MYR' 000	MYR' 000	%	MYR' 000	MYR' 000	MYR' 000	%
Revenue	2,179	2,247	(68)	(3)	8,424	5,956	2,468	41
Cost of Sales	(1,969)	(894)	(1,075)	120	(7,109)	(5,747)	(1,362)	24
Gross Profit/(Loss)	210	1,353	(1,143)	(84)	1,315	209	1,106	529

Revenue

The Group's revenue recorded an increase of MYR2.5 million (41%) for full year ended 31 December 2022 ("FY2022") compared to full year ended 31 December 2021 ("FY2021"). This is due to higher sales of precipitated calcium carbonate (PCC) stones as the economy situation improved progressively during the post-COVID19 period.

There was no contribution from the sale of ground calcium carbonate ("GCC") stones as the diversification into marble industry at GCCP Marble Quarries is still underway.

Cost of sales

The Group's cost of sales for the three months ended 31 December 2022 recorded an increase of 120% compared to the same period of preceding year. This was due mainly to higher petrol and diesel expenses, blasting charges, royalty, upkeep of weighbridge, electricity & water, rental paid for plant & machinery, and production wages for the three months ended 31 December 2022, which were off-set with reductions in upkeep of fire extinguishers, maintenance costs of plant & machinery and rental of generator sets.

The full year cost of sales recorded an increase of 24%, in line with the revenue growth of 41%.

Gross profit margin

With the higher sales, FY2022 recorded a higher gross profit margin of 16% against FY2021's 4%.

Other items of income

-Rental income

The reduction was due to lesser machineries being rented out to the outsourced quarrying contractors.

-Gain on disposal of property, plant and equipment

The gain was related to the disposal of a fully depreciated lorry.

-Other income

The reduction of other income was mainly due to lower financial aid received from government to assist companies in Malaysia during the post pandemic period.

Items of expense

-General and admin expenses

The reduction was mainly due to lower directors' salaries & related cost, staff salaries & related cost, and professional fees.

-Finance costs

The increase in finance cost was attributed to the higher interest expenses of bank borrowings in FY2022 against the preceding year as rates increased.

Consolidated Statement of Financial Position

Non-current assets

The decrease in property, plant & equipment was mainly due to:

- (a) annual depreciation of property, plant and equipment and leasehold quarry lands amounted to MYR4.9 million;
- (b) the reclassification of the proposed disposal of quarry assets (2 quarry lands and crusher plant) of a net book value of MYR11,522,907 to current assets under "Assets held for sales"; and

- (c) the above being offset by the acquisition of equipment for the marble operation, namely excavator, dump truck, track drills, wire saw machines & pneumatic drillers, amounted to MYR3.3 million.

Current assets

Current assets position as of 31 December 2022 saw an increase against 31 December 2021 due mainly to:

- (a) the reclassification of the proposed disposal of quarry assets (2 quarry lands and crusher plant) of a net book value of MYR11,522,907; and
(b) an increase in trade and other receivables and pledged deposit, offset by the reduction in cash and short terms deposit, and inventories.

Current liabilities

Current liabilities increased mainly due to:-

- a) increase in trade and other payables largely due to the advances from the directors and the increase in trade purchases, and
b) offset by reduction in loans and borrowings.

Net current liabilities position

As at 31 December 2022, the Group was at a net current liabilities position of MYR15.8 million. This was mainly due to the reclassification of non-current borrowings to current borrowings.

After taking into consideration of the following:

- (a) 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;
(b) existing stream of revenue generated from sales of the limestones at Gridland Quarry and the expected revenue from GCCP Marble Quarries are able to provide for the costs of operations for the Group and the Company;
(c) the monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company; and
(d) potential proceeds in relation to the proposed disposal of the GCCP Gridland Quarry, as disclosed in the Company's announcements dated 9 November 2022, where completion is expected in the first quarter of FY2023,

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

In FY2022, the Group recorded a net decrease in cash and cash equivalents of MYR1.8 million for the 12 months period.

Operating Activities

The Group generated a net cash inflow of MYR1.6 million for 12 months ended 31 December 2022. This was attributable to (1) increase in trade and other payables due to prolonged payment to suppliers, (2) decrease in inventories holding, and set off by (3) an increase in trade & other receivables due to slow debt collection.

Investing Activities

The cash outflow in investing activities for the 12 months ended 31 December 2022 was due to the acquisition of property, plant and equipment amounted to MYR3.2 million.

Financing Activities

For 4QFY2022, there was a small cash used in financing activities amounted to MYR229,000, primarily due to repayment of term loans.

7. 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 that which had been previously disclosed by the Company in announcement dated 10 November 2022 which released on the SGXNet.

8. 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 operating period and the next 12 months

GCCP Gridland Quarry is expected to complete the disposal by 1QFY2023 and the operation and sale of PCC stones will cease after the disposal.

GCCP Marble Quarries has commenced the production of marble blocks towards the end of FY2022, and sales are expected to commence in 2QFY2023. Export permits from the authority for the sale of the marble blocks have been obtained. The production volume will increase gradually with extensive marketing and acceptance of the company's products by the customers. The Company also targets to increase the number of quarry faces, which currently stands at 1, in the 12 months in order to increase production.

9. 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.

10.If no dividend has been declared/recommended, a statement to that effect, and the reason(s) for the decision

No dividend has been recommended/declared for FY2022, as the Group was not profitable.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

11a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For the year ended 31 December 2022 (“FY2022”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development Cost	45,000	40,000
Total	45,000	40,000

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1st January 2023 to 31st March 2023 (“1QFY2023”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	0
Total	0

11b. 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.

12. 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;

GCCP Marble Quarries

GCCP Marble has produced approximately 400 tons of marble block in 4QFY2022.

Gridland Quarry

Gridland Quarry did not incur any cost for exploration activities where it focuses on the production of raw material in the current quarter under review. The Gridland Quarry produced 76,435MT of crushed stones for 4QFY2022.

13. 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 4QFY2022.

14. Interested person transactions

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.

15. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

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.

16. Confirmation by the Board pursuant to Rule 705 (5) of the 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 quarter and full year ended 31 December 2022 to be false or misleading in any material aspect.

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

Loo Wooi Hong, Charles
Executive Director and CEO
22 February 2023

This announcement has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This announcement has not been examined by the SGX-ST and 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 details of the contact person for the Sponsor are –

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