

# 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 third quarter ended 30 September 2023 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 2022. Pursuant to the Company's announcement dated 10 April 2023, a disclaimer of opinion was issued by the Auditor for the financial year ended 31 December 2022.*

*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.*

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## **UNAUDITED                      INTERIM                      FINANCIAL STATEMENTS    FOR THE THIRD    QUARTER ENDED 30 SEPTEMBER 2023**



**Table of Contents**

- A. Interim consolidated statement of profit or loss and other comprehensive income..... 3-4**
- B. Interim statements of financial position ..... 5**
- C. Interim consolidated statement of cash flows .....6**
- D. Interim statements of changes in equity .....7**
- E. Notes to the interim consolidated financial statements .....8 -15**
- Other information required by Appendix 7C of the Catalist Rules.....17-23**

**A. Interim consolidated statement of profit or loss and other comprehensive income Period ended 30 September 2023**

	Group					
	Three Months Ended			Financial Period Ended		
	30 September 2023 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000	Change %	30 September 2023 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000	Change %
Revenue	-	2,272	n.m.	488	6,245	(92)
Cost of sales	(1,132)	(1,818)	(38)	(3,552)	(5,140)	(31)
<b>Gross (loss) / profit</b>	(1,132)	454	(349)	(3,064)	1,105	(177)
<b>Other items of income</b>						
Rental income of equipment	-	-	n.m.	-	4	n.m.
Gain on disposal of property, plant and Equipment*	-	-	n.m.	14,053	-	n.m.
Interest Income	32	-	n.m.	32	-	n.m.
Other Income	2	-	n.m.	4	-	n.m.
<b>Items of expense</b>						
Selling and distribution expenses	(12)	-	n.m.	(28)	(3)	833
General and administrative expenses	(1,907)	(1,689)	13	(5,814)	(5,270)	10
Finance costs	(16)	(193)	(92)	(261)	(514)	(49)
<b>Profit/(Loss) before tax</b>	(3,033)	(1,428)	112	4,922	(4,678)	205
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the period, representing total comprehensive loss for the period</b>	(3,033)	(1,428)	112	4,922	(4,678)	205
<b>Profit/(Loss) for the period, representing total comprehensive loss attributable to:</b>						
<b>-Owners of the Company</b>	(3,033)	(1,428)	112	4,922	(4,678)	205
<b>Earning/(Loss) per share for profit/(loss) for the period attributable to owners of the Company during the period:</b>						
<b>Basic (MYR Cents)</b>	(0.2)	(0.1)		0.4	(0.3)	
<b>Diluted (MYR Cents)</b>	(0.2)	(0.1)		0.4	(0.3)	

n.m. — not meaningful

**Profit / (Loss) before tax for the period is arrived at after charging the following:**

	Group					
	Three Months Ended			Financial Period Ended		
	30 September 2023	30 September 2022	Change	30 September 2023	30 September 2022	Change
	(Unaudited) MYR'000	(Unaudited) MYR'000		(Unaudited) MYR'000	(Unaudited) MYR'000	
		%			%	
Rental income of equipment	-	-	n.m.	-	4	n.m.
Interest Income	32	-	n.m.	32	-	n.m.
Gain on disposal of property, plant and equipment	-	-	n.m.	14,053	-	n.m.
Finance cost	(16)	(193)	(92)	(261)	(514)	(49)
Real Property Gains Tax*	(60)	-	n.m.	(60)	-	n.m.
Depreciation of leasehold quarry lands	(587)	(660)	(11)	(1,761)	(1,980)	(11)
Depreciation of property, plant and equipment	(477)	(647)	(26)	(1,438)	(1,862)	(23)

n.m. – not meaningful

\* Final Real Property Gains Tax paid to Inland Revenue Board of Malaysia, captured under category “General and Administrative Expenses”.

**B. Interim statements of financial position**  
**As at 30 September 2023**

	Group		Company	
	30 September 2023 (Unaudited) MYR'000	31 December 2022 (Audited) MYR'000	30 September 2023 (Unaudited) MYR'000	31 December 2022 (Audited) MYR'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	59,772	62,933	-	-
Investments in subsidiaries*	-	-	90,968	90,969
	<u>59,772</u>	<u>62,933</u>	<u>90,968</u>	<u>90,969</u>
<b>Current assets</b>				
Inventories	222	598	-	-
Trade and other receivables	2,320	3,081	1,784	3,267
Tax recoverable	6	6	-	-
Fixed deposits	8,028	384	-	-
Cash and short-term deposits	567	55	-	-
Non-current assets classified as held for sale	-	11,523	-	-
	<u>11,143</u>	<u>15,647</u>	<u>1,784</u>	<u>3,267</u>
<b>Total assets</b>	<u>70,915</u>	<u>78,580</u>	<u>92,752</u>	<u>94,236</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	12,418	23,250	6,567	7,082
Loans and borrowings	443	8,861	-	-
Tax payable	48	48	-	-
	<u>12,909</u>	<u>32,159</u>	<u>6,567</u>	<u>7,082</u>
<b>Net current (liabilities)/assets</b>	<u>(1,766)</u>	<u>(16,512)</u>	<u>(4,783)</u>	<u>(3,815)</u>
<b>Non-current liabilities</b>				
Trade and other payables	7,000	87	-	-
Loans and borrowings	540	790	-	-
	<u>7,540</u>	<u>877</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>20,449</u>	<u>33,036</u>	<u>6,567</u>	<u>7,082</u>
<b>Net assets</b>	<u>50,466</u>	<u>45,544</u>	<u>86,185</u>	<u>87,154</u>
<b>Equity attributable to owners of the Company</b>				
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	(118,556)	(123,478)	(82,837)	(81,868)
<b>Total equity</b>	<u>50,466</u>	<u>45,544</u>	<u>86,185</u>	<u>87,154</u>
<b>Total equity and liabilities</b>	<u>70,915</u>	<u>78,580</u>	<u>92,752</u>	<u>94,236</u>

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

**C. Interim consolidated statements of cash flows**  
**Period ended 30 September 2023**

	Group			
	Three Months Ended		Financial Period Ended	
	30 September 2023 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000	30 September 2023 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000
<b>Operating activities</b>				
Profit/(Loss) before tax	(3,033)	(1,428)	4,922	(4,678)
<b>Adjustments for:</b>				
Depreciation of leasehold quarry lands	587	660	1,761	1,980
Depreciation of property, plant and equipment	477	647	1,438	1,862
Gain on disposal of property, plant and equipment	-	-	(14,053)	-
Finance cost	16	193	261	514
<b>Operating cash (outflows)/inflows before changes in working capital</b>	<b>(1,953)</b>	<b>72</b>	<b>(5,671)</b>	<b>(322)</b>
<b>Changes in working capital</b>				
Decrease/(Increase)in trade and other receivables	823	(505)	761	(745)
(Decrease)/Increase in trade and other payables	(335)	(48)	(4,116)	1,402
Decrease in inventories	-	111	377	156
Net changes in working capital	488	(442)	(2,978)	813
<b>Cash (used in) / generated from operations</b>	<b>(1,465)</b>	<b>(370)</b>	<b>(8,649)</b>	<b>491</b>
Interest received	-	-	-	-
Income tax paid	-	-	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,465)</b>	<b>(370)</b>	<b>(8,649)</b>	<b>491</b>
<b>Investing activity</b>				
Purchase of property, plant and equipment	(4)	(219)	(143)	(2,285)
Proceed from disposal of property, plant and equipment	-	-	25,680	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(4)</b>	<b>(219)</b>	<b>25,537</b>	<b>(2,285)</b>
<b>Financing activities</b>				
Repayment of term loans	-	(628)	(3,425)	(1,904)
Repayment of lease liabilities	(87)	(88)	(237)	(136)
Fund withdrawn/(placed) from/(in) fixed deposits	1,000	-	(7,644)	-
Advance from directors	337	450	248	1,551
(Repayment)/Advance from related parties	(52)	1,035	(52)	1,035
Interest paid	(16)	(193)	(261)	(514)
<b>Net cash generated/ (used in) from financing activities</b>	<b>1,182</b>	<b>576</b>	<b>(11,371)</b>	<b>32</b>
Net (decrease)/increase in cash and cash equivalents	(287)	(13)	5,517	(1,762)
Cash and cash equivalents at beginning of period	854	(4,890)	(4,950)	(3,141)
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>567</b>	<b>(4,903)</b>	<b>567</b>	<b>(4,903)</b>

**Note A: Cash and cash equivalents**

	Group	
	Financial Period Ended	
	30 September 2023 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	567	95
Bank overdraft	-	(4,998)
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>567</b>	<b>(4,903)</b>

**D. Interim statements of changes in equity**  
**Period ended 30 September 2023**

**Group**

<b>3Q2023 (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 July 2023	173,801	(115,523)	(9,086)	4,307	53,499
Profit for the period, representing total comprehensive profit for the period	-	(3,033)	-	-	(3,033)
Balance as at 30 September 2023	<u>173,801</u>	<u>(118,556)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>50,466</u>

**3Q2022 (Unaudited)**

Balance as at 1 July 2022	173,801	(120,337)	(9,086)	4,307	48,685
Loss for the period, representing total comprehensive loss for the period	-	(1,428)	-	-	(1,428)
Balance as at 30 September 2022	<u>173,801</u>	<u>(121,765)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>47,257</u>

**Company**

<b>3Q2023 (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 July 2023	173,801	(82,750)	(9,086)	4,307	86,272
Loss for the period, representing total comprehensive income for the period	-	(87)	-	-	(87)
Balance as at 30 September 2023	<u>173,801</u>	<u>(82,837)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>86,185</u>

**3Q2022 (Unaudited)**

Balance as at 1 July 2022	173,801	(73,107)	(9,086)	4,307	95,915
Loss for the period, representing total comprehensive income for the period	-	(325)	-	-	(325)
Balance as at 30 September 2022	<u>173,801</u>	<u>(73,432)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>95,590</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 interim consolidated financial statements as at and for the third quarter ended 30 September 2023 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 consolidated financial statements as at and for the third quarter ended 30 September 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim consolidated 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 2022.

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 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, 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 third quarter ended 30 September 2023 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 2023, 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 2022.

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 Board of Directors ("Board") 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 expected revenue from GCCP Marble Sdn. Bhd and GCCP Global Sdn Bhd is expected to be recognized during the fourth quarter of the year and thereafter;
- (ii) 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 for the Group and the Company; and
- (iii) the monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company.

Hence, the Board 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, which are mainly attributable to the Group's mining operations.

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 2027 for GCCP Marble.

Based on above 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 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 and marble. All activities are carried out in Malaysia.

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

	<b>Group</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Primary geographical market</b>				
Malaysia	-	2,272	488	6,245
	-	2,272	488	6,245

## 6. Categories of financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2023 and 31 December 2022:

	The Group		The Company	
	30 September 2023 (Unaudited) MYR'000	31 December 2022 (Audited) MYR'000	30 September 2023 (Unaudited) MYR'000	31 December 2022 (Audited) MYR'000
<b>Financial Assets</b>				
Trade and other receivables	2,321	3,081	1,784	3,267
Fixed deposit	8,028	384	-	-
Cash and bank balances	567	55	-	-
<b>Total financial assets at amortised cost</b>	<b>10,916</b>	<b>3,520</b>	<b>1,784</b>	<b>3,267</b>
<b>Financial Liabilities</b>				
Trade and other payables	19,418	23,337	6,567	7,082
Loan and borrowings	983	9,651	-	-
<b>Total financial liabilities at amortised cost</b>	<b>20,401</b>	<b>32,988</b>	<b>6,567</b>	<b>7,082</b>

## 7. Profit/(Loss) before tax

### 7.1 Significant items

	Group			
	Three Months Ended September 2023 (Unaudited) MYR'000	September 2022 (Unaudited) MYR'000	Nine Months Ended September 2023 (Unaudited) MYR'000	September 2022 (Unaudited) MYR'000
Audit fees payable to:				
- auditor of the Company	80	80	240	240
Real Property Gains Tax	60	-	60	-
Depreciation of leasehold quarry lands	587	660	1,761	1,980
Depreciation of property, plant and equipment	477	647	1,438	1,862
Remuneration of the directors of the Company:				
- salaries and related costs	141	152	532	461
- fees	90	120	310	360
Remuneration of staff:				
- salaries and related costs	474	467	1,416	1,361
Rental expenses	16	71	42	243
Interest income	32	-	42	-
Interest expenses	16	193	261	514

## 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 income tax expenses for the Group and Company for the nine months period as the entities are in the operating loss status.

## 9. Profit/(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

Profit/(Loss) per share "EPS/(LPS)"	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Audited)
Profit/(Loss) attributable to owners of the Company (MYR'000)	(3,033)	1,428	4,922	(4,678)
Weighted average number of ordinary shares	1,356,945,976	1,356,945,976	1,356,945,976	1,356,945,976
Basic and diluted EPS/(LPS) (MYR cents) <sup>(1)</sup>	(0.22)	0.11	0.36	(0.34)

(1) The basic and diluted EPS/(LPS) are the same as there were no potentially dilutive securities in issue as at 30 September 2023 and 30 September 2022 respectively.

## 10. Dividends

No dividend has been recommended for the three months and nine months ended 30 September 2023 (30 September 2022: 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	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to the owners of the Company (MYR'000)	50,466	45,544	86,185	87,154
Net asset value per ordinary share at the end of the period (MYR)*	0.04	0.03	0.06	0.06

\*The calculation of net asset value per ordinary share (excluding treasury shares) was based on 1,356,945,976 ordinary shares as at 30 September 2023 and 31 December 2022 respectively.

## 12. Property, plant and equipment

During the nine months period ended 30 September 2023, the Group acquired assets amounting to MYR143,000 (30 September 2022: MYR MYR2,285,000) with total depreciation amounting to MYR3,199,000 (30 September 2022: MYR MYR3,842,000).

The Company completed the disposal of the quarry assets of GCCP Gridland Sdn Bhd on 23 May 2023 resulting in a gain on disposal of MYR14.1 million. A sum of MYR59,888 was paid to the Inland Revenue Board of Malaysia as the final and confirmed Real Property Gains Tax relating to the disposal.

In addition to the disposal mentioned above, there was a net disposal loss of MYR44,100 due to the disposal of one unit each of a used wheel loader and a used excavator.

### 13. Borrowings

#### Aggregate amount of group's borrowings and debt securities

##### Amount repayable in one year or less, or on demand

As at 30 September 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
540	-	8,861	-

##### Amount repayable after one year

As at 30 September 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
443	-	790	-

#### Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2023 (Unaudited)	As at 31 December 2022 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	-	2,435	*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. The discharge of the security is still in progress.
Term loan for the purchase of office units	-	1,052	*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. The discharge of the security is still in progress.
Lease liability	983	1,159	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	-	1,999	*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. The discharge of the security is still in progress.
Bank overdrafts	-	1,999	*A first party first and second legal charge on leasehold quarry land and buildings and debenture over fixed and floating charge. The discharge of the security is still in progress.

Bank overdrafts	-	1,007	*Charge on the leasehold quarry land of the Company, corporate guarantee by the Holding Company and guarantee by a director of the Company. The discharge of the security is still in progress.
	<u>983</u>	<u>9,651</u>	

\* The term loans and bank overdrafts have been fully settled during the First and Second Quarters of Year 2023 with the full discharge of respective liabilities with financial institutions.

#### 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 2022 and 30 September 2023	<u>1,356,945,976</u>	<u>164,714,731</u>

As at 30 September 2023, the Company held 23,986,957 treasury shares (31 December 2022: 23,986,957), equivalent to 1.74% (31 December 2022: 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 30 September 2023 and 31 December 2022. 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 30 September 2023	As at 31 December 2022
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 30 September 2023 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 third quarter 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 2022 ("FY2022") the basis for which has been disclosed on pages 69 to 72 of the Company's Annual Report for FY2022 ("AR2022").

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

#### **(1) Appropriateness of the Going Concern Assumption**

- (i) the expected revenue from GCCP Marble Sdn. Bhd and GCCP Global Sdn Bhd is expected to be recognized during the fourth quarter of the year and thereafter;
- (ii) 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 for the Group and the Company; and
- (iii) The monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company.

Hence, the Board is of the opinion that the Group and the Company are able to operate as going concerns 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.

#### **(2) Impairment assessment of property, plant and equipment**

For FY2022, 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 the financial statement of AR2022, 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 financial statement of AR2022, 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 FY2022 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 2023 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 30 September 2023 ("3QFY2023") as compared to the three months ended 30 September 2022 ("3QFY2022"), with nine months ended 2023 compared against nine months of preceding year.

**Consolidated Statement of Comprehensive Income**

	Three Months Ended	Three Months Ended	+/- (-)		Nine Months Ended	Nine Months Ended	+/- (-)	
	30-September-23	30-September-22	MYR' 000	%	30-September-23	30-September-22	MYR' 000	%
	MYR' 000	MYR' 000	MYR' 000	%	MYR' 000	MYR' 000	MYR' 000	%
Revenue	-	2,272	(2,272)	-	488	6,245	(5,757)	(92)
Cost of Sales	(1,132)	(1,818)	(686)	(38)	(3,552)	(5,140)	(1,588)	(31)
Gross Profit/(Loss)	(1,132)	454	(1,586)	(349)	(3,064)	1,105	(1,959)	(177)

## Revenue

The Group's revenue saw a significant decrease in the nine months period of Financial Year 2023 ("FY2023") against the corresponding period of preceding year. The reduction was due to the requirement to halt production for the completion and handing over of quarry assets to the new owner during 2QFY2023.

Additionally, the diversification into marble industry at GCCP Marble Quarries is still underway, hence there was no sales contribution from ground calcium carbonate ("GCC") stones for 3QFY2023.

## Cost of sales

There were cost of sales as there were fixed costs such as production wages and related staff costs.

## Gross profit margin

The reduction in revenue and incurrence of fixed cost of sales resulted in a gross loss margin for the three months & nine months ended 30 September 2023.

## Other items of income

### *-Gain on disposal of property, plant and equipment*

These were due to the completed disposal of the quarry land and quarry assets on 23 May 2023, and the net disposal loss for disposing one unit each of a used wheel loader and a used excavator.

## Items of expense

### *-General and admin expenses*

The increase was mainly due to increases in administrative expenses such as listing expenses, marketing fee and professional fees incurred for the disposal.

### *-Finance costs*

The reduction in finance cost was attributed to the settlement of terms loan and bank overdrafts.

## **Consolidated Statement of Financial Position**

### Non-current assets

There was no significant movement of non-current assets and the minor reduction was mainly caused by the depreciation of property, plant & equipment.

### Current assets

Current assets position as of 30 September 2023 reduced against 31 December 2022, mainly due to the completion of the disposal of quarry land and quarry assets and reduction of inventories, offset with the increase in the placement of fixed deposits.

### Current liabilities

The significant reduction of current liabilities was due to the full settlement and repayment of the term loans and bank overdraft during the first half of year 2023, coupled with the settlement of outstanding suppliers and service providers, along with the classification to long term liabilities of those long outstanding debts.

### Net current liabilities position

As at 30 September 2023, the Group was at a net current liabilities position of MYR 1.8 million against MYR16.5 million as at 31 December 2022. This improvement was mainly due to the classification to long term liabilities of those long outstanding debts, and the usage of the proceeds from the disposal of the quarry assets to repay loans and borrowings, and trade & other payables.

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) the expected revenue from GCCP Marble Quarries and GCCP Global being able to provide for the costs of operations for the Group and the Company; and
- (c) the monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in the Group and the Company;

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 3QFY2023, the Group having a net decrease in cash and cash equivalents of MYR287,000 for the three months period, contrast with a net increase in cash and cash equivalents of MYR5.5 million for the nine months period respectively.

#### Operating Activities

The Group incurred a net cash outflow of MYR1.5 million and MYR8.6 million in operating activities for the 3 months and 9 months ended 30 September 2023 respectively.

#### Investing Activities

The cash inflow in investing activities of MYR25.5 million for the nine months period ended 30 September 2023 was mainly the proceed received from disposal of quarry assets, and machineries.

#### Financing Activities

For 3QFY2023, there was a net cash inflow in financing activities amounted to MYR1.1 million mainly due to fund withdrawn from fixed deposits. Similarly, there was a net cash outflows of MYR11.4 million for the nine months ended 30 September 2023, mainly caused by the fund placed with pledged deposits and settlement of terms loan.

### **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 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 has completed the disposal of the quarry and it has ceased its operations. There

will be no further operation in GCCP Gridland moving forward.

In 4QFY2023, GCCP Marble Quarries will commence the delivery of its marble block to its clients. The production volume will increase as the second quarry face is ready. The Company is targeting to open up 1 more quarry face in the next 12 months in order to have more production for upcoming projects. The marketing team is actively promoting the marble blocks to oversea clients.

The Group plans to construct a factory on its industrial land to process the marble blocks into marble slabs for sale into the downstream markets. The factory is expected to be completed in 2024. The Group has started to participate in several tenders for future projects for the deliveries of these marble slabs.

## 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 interim dividend has been recommended/declared for the second quarter ended 30 September 2023, 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 quarter ended 30 September 2023 (“3QFY2023”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development Cost	50,000	55,000
<b>Total</b>	<b>50,000</b>	<b>55,000</b>

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<sup>st</sup> October 2023 to 31<sup>st</sup> December 2023 (“4QFY2023”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	50,000
<b>Total</b>	<b>50,000</b>

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

The Board 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 800 tons of marble block in 3QFY2023.

**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 3QFY2023.

**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 the Company hereby confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements of the Company and the Group for the third quarter ended 30 September 2023 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  
9 November 2023