

# 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 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 INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**



## Table of Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income.....	3-4
B. Condensed interim statements of financial position .....	5
C. Condensed interim consolidated statement of cash flows .....	6
D. Condensed interim statements of changes in equity .....	7
E. Notes to the condensed interim consolidated financial statements.....	8 -15
Other information required by Appendix 7C of the Catalist Rules.....	17-24

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**  
**Period ended 30 September 2022**

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	Change %	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	Change %
Revenue	2,272	1,421	60	6,245	3,709	68
Cost of sales	(1,818)	(2,145)	(15)	(5,140)	(4,853)	6
<b>Gross profit / (loss)</b>	454	(724)	163	1,105	(1,144)	197
<b>Other items of income</b>						
Interest income	-	-	n.m.	-	1	n.m.
Rental income of equipment	-	(11)	n.m.	4	28	(86)
Other Income	-	65	n.m.	-	78	n.m.
<b>Items of expense</b>						
Foreign exchange (loss)/gain, net	-	(6)	n.m.	-	(9)	n.m.
Selling and distribution expenses	-	(5)	n.m.	(3)	(10)	(70)
General and administrative expenses	(1,689)	(2,219)	(24)	(5,270)	(5,844)	(10)
Finance costs	(193)	(55)	251	(514)	(277)	86
<b>Loss before tax</b>	(1,428)	(2,955)	(52)	(4,678)	(7,177)	(35)
Income tax expense						
<b>Loss for the period, representing total comprehensive loss for the period</b>	(1,428)	(2,955)	(52)	(4,678)	(7,177)	(35)
<b>Loss for the period, representing total comprehensive loss attributable to:</b>						
<b>-Owners of the Company</b>	(1,428)	(2,955)	(52)	(4,678)	(7,177)	(35)
<b>Loss per share for loss for the period attributable to owners of the Company during the period:</b>						
<b>Basic (MYR Cents)</b>	(0.1)	(0.2)		(0.3)	(0.6)	
<b>Diluted (MYR Cents)</b>	(0.1)	(0.2)		(0.3)	(0.6)	

n.m. — not meaningful

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

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	Change %	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	Change %
Interest income	-	-	n.m.	-	1	n.m.
Rental income of equipment	-	(11)	n.m.	4	28	(86)
Finance costs	(193)	(55)	251	(514)	(277)	86
Depreciation of leasehold quarry lands	(660)	(660)	n.m.	(1,980)	(1,980)	n.m.
Depreciation of property, plant and equipment						
Foreign exchange (loss)/gain, net	(647)	(615)	5	(1,862)	(1,827)	n.m.
	-	(6)	n.m.	-	(9)	n.m.

n.m. – not meaningful

**B. Condensed interim statements of financial position**  
**As at 30 September 2022**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2022 (Unaudited) MYR'000</b>	<b>31 December 2021 (Audited) MYR'000</b>	<b>30 September 2022 (Unaudited) MYR'000</b>	<b>31 December 2021 (Audited) MYR'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	74,472	76,029	-	-
Investments in subsidiaries	-	-	2,414	2,414
	<u>74,472</u>	<u>76,029</u>	<u>2,414</u>	<u>2,414</u>
<b>Current assets</b>				
Inventories	617	772	-	-
Trade and other receivables	2,839	2,094	99,245	99,966
Tax recoverable	6	6	-	-
Pledged deposits	377	377	-	-
Cash and short-term deposits	95	355	-	-
	<u>3,934</u>	<u>3,604</u>	<u>99,245</u>	<u>99,966</u>
<b>Total assets</b>	<u>78,406</u>	<u>79,633</u>	<u>101,659</u>	<u>102,380</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	20,972	18,000	6,069	5,514
Loans and borrowings	8,386	8,263	-	-
Tax payable	48	48	-	-
	<u>29,406</u>	<u>26,311</u>	<u>6,069</u>	<u>5,514</u>
<b>Net current (liabilities)/assets</b>	<u>(25,472)</u>	<u>(22,707)</u>	<u>93,176</u>	<u>94,452</u>
<b>Non-current liabilities</b>				
Loans and borrowings	1,743	1,387	-	-
<b>Total liabilities</b>	<u>31,149</u>	<u>27,698</u>	<u>6,069</u>	<u>5,514</u>
<b>Net assets</b>	<u>47,257</u>	<u>51,935</u>	<u>95,590</u>	<u>96,866</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	(121,765)	(117,087)	(73,432)	(72,156)
<b>Total equity</b>	<u>47,257</u>	<u>51,935</u>	<u>95,590</u>	<u>96,866</u>
<b>Total equity and liabilities</b>	<u>78,406</u>	<u>79,633</u>	<u>101,659</u>	<u>102,380</u>

**C. Condensed interim consolidated statements of cash flows**  
**Period ended 30 September 2022**

	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000
<b>Operating activities</b>				
Loss before tax	(1,428)	(2,955)	(4,678)	(7,177)
<b>Adjustments for:</b>				
Depreciation of leasehold quarry lands	660	660	1,980	1,979
Depreciation of property, plant and equipment	647	615	1,862	1,827
Interest income	-	1	-	-
Interest expense	193	53	514	276
<b>Operating cash flows before changes in working capital</b>	<b>72</b>	<b>(1,626)</b>	<b>(322)</b>	<b>(3,095)</b>
<b>Changes in working capital</b>				
(Increase)/Decrease in trade and other receivables	(505)	(164)	(745)	248
Increase/ (Decrease) in trade and other payables	(48)	(1,324)	1,402	(3,624)
(Increase)/Decrease in inventories	111	566	156	1,018
Net changes in working capital	(442)	(922)	813	(2,358)
<b>Cash generated from/ (used in) operations</b>	<b>(370)</b>	<b>(2,548)</b>	<b>491</b>	<b>(5,453)</b>
Interest received	-	(1)	-	-
Income tax paid	-	(1)	-	(2)
<b>Net cash generated from/(used in) operating activities</b>	<b>(370)</b>	<b>(2,550)</b>	<b>491</b>	<b>(5,455)</b>
<b>Investing activity</b>				
Purchase of property, plant and equipment	(219)	(116)	(2,285)	(368)
<b>Net cash used in investing activities</b>	<b>(219)</b>	<b>(116)</b>	<b>(2,285)</b>	<b>(368)</b>
<b>Financing activities</b>				
Proceeds from issuance of share capital	-	-	-	9,324
Repayment of term loans	(628)	-	(1,904)	(401)
Repayment of lease liabilities	(88)	2	(136)	(112)
Advances from directors	450	354	1,551	277
Advances from related parties	1,035	-	1,035	-
Interest paid	(193)	(53)	(514)	(275)
<b>Net cash generated from financing activities</b>	<b>576</b>	<b>303</b>	<b>32</b>	<b>8,813</b>
Net (decrease)/increase in cash and cash equivalents	(13)	(2,363)	(1,762)	2,990
Cash and cash equivalents at beginning of period	(4,890)	428	(3,141)	(4,925)
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>(4,903)</b>	<b>(1,935)</b>	<b>(4,903)</b>	<b>(1,935)</b>

**Note A: Cash and cash equivalents**

	Group	
	Nine Months Ended	
	30 September 2022 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	95	862
Bank overdraft	(4,998)	(2,797)
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>(4,903)</b>	<b>(1,935)</b>

**D. Condensed interim statements of changes in equity**  
**Period ended 30 September 2022**

**Group**

<b>3Q2022 (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 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	173,801	(121,765)	(9,086)	4,307	47,257

**3Q2021 (Unaudited)**

Balance as at 1 July 2021	173,912	(113,189)	(9,086)	4,307	55,944
Loss for the period, representing total comprehensive loss for the period	-	(2,955)	-	-	(2,955)
Balance as at 30 September 2021	173,912	(116,144)	(9,086)	4,307	52,989

**Company**

<b>3Q2022 (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 2022	173,801	(73,107)	(9,086)	4,307	95,915
Loss for the period, representing total comprehensive loss for the period	-	(325)	-	-	(325)
Balance as at 30 September 2022	173,801	(73,432)	(9,086)	4,307	95,590

**3Q2021 (Unaudited)**

Balance as at 1 July 2021	173,912	(72,041)	(9,086)	4,307	97,092
Loss for the period, representing total comprehensive loss for the period	-	(718)	-	-	(718)
Balance as at 30 September 2021	173,912	(72,759)	(9,086)	4,307	96,374

## **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 three months and nine months ended 30 September 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.

### **2. Basis of Preparation**

The interim financial statements for the three months and nine months ended 30 September 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, 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 period ended 30 September 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 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 COVID-19 pandemic has brought about uncertainties to the Group's and the Company's operating environments and has 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) as disclosed in the Company's announcements dated 9 November 2022 in relation to the disposal of GCCP Gridland Quarry ("Gridland Disposal"). The resultant sale proceeds from the Gridland Disposal will be able to ease the majority of the cashflow requirements of the Group and the Company.

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 period ended 30 September 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 30 September 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		Nine Months Ended	
	September- 2022	September- 2021	September- 2022	September- 2021
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Primary geographical market</b>				
Malaysia	2,272	1,421	6,245	3,709
	<b>2,272</b>	<b>1,421</b>	<b>6,245</b>	<b>3,709</b>

## 6. Categories of financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 31 December 2021:

	The Group		The Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Financial Assets</b>				
Trade and other receivables	2,838	2,094	99,245	99,966
Pledged deposit	377	377	-	-
Cash and bank balances	95	355	-	-
<b>Total financial assets at amortised cost</b>	<b>3,310</b>	<b>2,826</b>	<b>99,245</b>	<b>99,966</b>
<b>Financial Liabilities</b>				
Trade and other payables	20,972	18,001	6,069	5,514
Loan and borrowings	10,129	9,649	-	-
<b>Total financial liabilities at amortised cost</b>	<b>31,101</b>	<b>27,650</b>	<b>6,069</b>	<b>5,514</b>

## 7. Loss before tax

### 7.1 Significant items

	Group			
	Three Months Ended		Nine Months Ended	
	September- 2022	September- 2021	September- 2022	September- 2021
	MYR'000	MYR'000	MYR'000	MYR'000
Audit fees payable to:				
- auditor of the Company	80	80	240	240
Depreciation of leasehold quarry lands	660	660	1,980	1,980
Depreciation of property, plant and equipment	647	615	1,862	1,827
Remuneration of the directors of the Company:				
- salaries and related costs	152	286	461	857
- fees	120	120	360	360
Remuneration of staff:				
- salaries and related costs	467	268	1,361	808
Rental expenses	71	8	243	36
Interest expenses	193	55	514	277
Interest income	-	-	-	1

## 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 nine 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		Nine Months Ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Loss attributable to owners of the Company (MYR'000)	1,428	2,955	4,678	7,177
Weighted average number of ordinary shares <sup>(1)</sup>	1,356,945,976	1,248,601,196	1,356,945,976	1,248,601,196
Basic and diluted LPS (MYR cents) <sup>(2)</sup>	0.11	0.24	0.34	0.57

### Notes:

- (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 30 September 2022 and 30 September 2021 respectively.

## 10.Dividends

No dividend has been recommended for the three months and nine months ended 30 September 2022 (30 September 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	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to the owners of the Company (MYR'000)	47,257	51,935	95,590	96,866
Net asset value per ordinary share at the end of the period (MYR)*	0.03	0.04	0.07	0.07

\*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 2022 and 31 December 2021.

## 12. Property, plant and equipment

During the nine months ended 30 September 2022, the Group acquired assets amounting to MYR2,285,000 (30 September 2021: MYR368,000) with depreciation amounting to MYR3,842,000 (30 September 2021: MYR3,806,000).

## 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 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
8,386	-	8,263	-

#### Amount repayable after one year

As at 30 September 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
1,743	-	1,387	-

#### Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2022 (Unaudited) MYR'000	As at 31 December 2021 (Audited) MYR'000	Secured by
Term loans	2,795	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	1,092	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	1,244	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	1,000	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>10,129</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 30 September 2022	1,356,945,976	164,714,731

As at 30 September 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 30 September 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 30 September 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 interim 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 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 three-month and nine-month period 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 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 in relation to the disposal of GCCP Gridland Quarry ("Gridland Disposal"). The resultant sale proceeds from the Gridland Disposal will be able 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 2021 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 2021, 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 2022 ("3QFY2022") as compared to the three months ended 30 September 2021 ("3QFY2021"), and nine months ended 30 September 2022 compared against nine months ended 30 September 2021.

**Consolidated Statement of Comprehensive Income**

	Three Months Ended	Three Months Ended	+ / (-)	+ / (-)	Nine Months Ended	Nine Months Ended	+ / (-)	+ / (-)
	30-Sep-22	30-Sep-21			30-Sep-22	30-Sep-21		
	MYR' 000	MYR' 000	MYR' 000	%	MYR' 000	MYR' 000	MYR' 000	%
Revenue	2,272	1,421	851	60	6,245	3,709	2,536	68
Cost of Sales	(1,818)	(2,145)	(327)	(15)	(5,140)	(4,853)	287	6
Gross Profit/(Loss)	454	(724)	1,178	163	1,105	(1,144)	2,249	197

Revenue

The Group's revenue recorded an increase of MYR0.9 million for the three months ending 3QFY2022 against 3QFY2021, and an overall increase of MYR2.6 million for the nine-month period. This increase

was due to higher sales of precipitated calcium carbonate (PCC) stones as the market situation gradually improved during this post-COVID19 period.

#### Cost of sales

The changes in cost of sales were in line with the increase of revenue for the periods.

#### Gross profit margin

3QFY2022 recorded gross profit margin of 20% and the year-to-date gross profit margin was 18%. These were against 3QFY2021 gross loss margins of -51% and -31% respectively.

#### Items of expense

##### *-General and admin expenses*

The reduction in 3 months period was mainly due to reduction in professional fees, directors' salaries, listing expenses, staff salaries, entertainment and storage charges. For the 9 months period, there was reduction in directors' salaries & related cost, staff salaries & related cost, and professional fees, which was set-off by increases in marketing fees, petrol & diesel, and staff welfare.

##### *-Finance costs*

The increase in finance cost was attributed to the higher interest expenses of bank borrowings in 3QFY2022 against the corresponding period of preceding year.

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

#### Non-current assets

The decrease in property, plant & equipment was due to depreciation of property, plant and equipment and leasehold quarry lands amounted to MYR3.8 million and offset by the acquisition of new property, plant and equipment for the marble operation, namely excavator, dump truck, track drills, wire saw machines & pneumatic drillers, amounted to MYR2.3 million.

#### Current assets

Current assets position as of 30 September 2022 saw a slight increase against 31 December 2021 due to an increase in trade and other receivables, 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) increase in loans and borrowings due to the financing of newly-acquired equipment.

#### Net current liabilities position

As at 30 September 2022, the Group was at a net current liabilities position of MYR25.5 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) the expected proceeds in relation to the Gridland Disposal as disclosed in the Company's announcement dated 9 November 2022,

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 3QFY2022, the Group recorded a net decrease in cash and cash equivalents of MYR1.8 million for the nine months period.

#### **Operating Activities**

The Group generated a net cash inflow of MYR0.5 million for 9 months ended 30 September 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 slower debt collection.

#### **Investing Activities**

The cash outflow in investing activities for the 9 months ended 30 September 2022 was due to the acquisition of property, plant and equipment amounted to MYR2.3 million.

#### **Financing Activities**

For 3QFY2022, there was a small cash generated in financing activities amounted to MYR32,000, primarily due to advances from directors and related parties.

### **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**

With the Gridland Disposal, the Group will focus its efforts in the development of GCCP Marble. It will open more quarry faces and commence the marble block production in small scale during 4QFY2022 and is expected to grow the volume in FY2023. The development of access road has been completed during 3QFY2022. Besides from the development of the quarry, the Group has also started the marketing of the blocks, both locally and internationally. As at current stage, the application of export permit has been submitted to the relevant authorities and once the production and permit are ready, GCCP Marble will be able to commence the sales immediately.

The Gridland Disposal is expected to be completed by the end of the financial year. Therefore, the Group will still be recording the sale of PCC stones during this last quarter of the financial year.

## 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 for the third quarter ended 30 September 2022 has been recommended, as the Group was not profitable.

## 11. Utilisation of Proceeds from Placement

Used of Net Proceeds	Planned Allocation of Net Proceed	Eventual Allocation of Net Proceeds	Variance of Allocation Over/(Under) Allocation	Balance of Net Proceeds as at the date of this announcement
	MYR ' 000			
Placement expenses*	150	111	(39)	39
Purchase of machineries and equipment* (A below)	6,881	2,982	(3,899)	3,899
General working capital purpose* (B below)	2,293	5,820	3,527	(3,527)
<b>Total</b> (Placement Proceed translated in MYR)	<b>9,324</b>	<b>8,913</b>	<b>(411)</b>	<b>411</b>

\*Note 1: The above extra proceed received and allocation of fund (MYR9.324 million against expected-MYR9.000 million) was due mainly to realized exchange gain (Singapore Dollar converted as Malaysian Ringgit). The utilization of proceeds from the Placement is in accordance with the intended use of the Net Proceeds, as stated in the Company's announcement dated 7 May 2021.

\*Note 2: In compliance with FRS23 of accounting standard, incremental costs directly attributable to the equity transaction that otherwise would have been avoided shall be accounted for as a deduction from equity. Hence, the above placement expenses such as diligence and professional fees of MYR110,900 needed to be set off against the placement generated which amounted to MYR9.324 million, with the issuance of 187,500,000 ordinary shares. Hence, the movement of the share capital values was as follows: (1) MYR164,588,000 – Original Shares Capital Value before the placement in May 2021, and (2) Placement Fund generated was MYR9,324,000, set off against (3) Placement Expenses of MYR110,900 which gave rise to (4) the current share capital of MYR173,801,000.

**(A) Purchase of Machineries and Equipment - Updated Allocation of Net Proceed**

The acquisition of total plant, property, and equipment (from 2QFY2021 up to 3QFY2022 – proceed after the placement) amounted to MYR2.982 million.

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining Placement Proceeds as and when the funds are materially disbursed.

**(B) General Working Capital – Updated Allocation of Net Proceed**

Breakdown of utilisation of working capital from the net proceed of reinstated MYR5.820 million:

	MYR'000
1 REPAYMENT TO TRADE CREDITORS, SUPPLIERS & VENDOR	1,634
2 <u>PLANT &amp; MACHINERIES:</u>	2,265
•REPAIR & MAINTENANCE	
•UPKEEP OF PLANT & MACHINERIES/EXCAVATORS/DUMP TRUCKS/WHEEL LOADERS/CRUSHER PLANTS	
•PETROL & DIESEL	
3 BANK INTEREST	270
4 PROFESSIONAL FEES AND CHARGES	724
5 OTHERS GENERAL & ADMIN EXPENSES	560
6 REPAYMENT OF BANK FACILITIES	367
<b>TOTAL</b>	<b>5,820</b>

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

**12a. Rule 705 (6)(a) of the Catalist Listing Manual**

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

For the quarter ended 30 September 2022 (“3QFY2022”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development Cost	45,000	51,000
<b>Total</b>	<b>45,000</b>	<b>51,000</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 2022 to 31 December 2022 ("4QFY2022")), the Company's use of funds/cash for development activities is expected to be as follows:-

<b>Purpose</b>	<b>Projected Usage Amount (MYR)</b>
Development cost	45,000
<b>Total</b>	<b>45,000</b>

**12b. 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.

**13. 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

There is no production during 3QFY2022 in GCCP Marble Quarries. The production of marble block is expected to commence by 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 75,501MT of crushed stones for 3QFY2022.

**14. 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 3QFY2022.

**15. 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.

**16. 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.

**17. 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 three months and nine months ended 30 September 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  
10 November 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"). The Sponsor has not independently verified the contents of this announcement.*

*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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