



## **GCCP RESOURCES LIMITED**

(Company Registration No.: OI-282405)

(Incorporated in the Republic of Singapore on 1 November 2013)

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### **UPDATE ON APPOINTMENT OF INTERNAL AUDITORS AND COMPLETION OF INDEPENDENT INTERNAL AUDIT REPORT**

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The Board of Directors (“**Board**”) of GCCP Resources Limited (the “**Company**”) refers to the announcement made by the Company dated 15 April 2021 – “Annual Reports and Related Documents” (“**Announcement**”), wherein the Company would engage an independent internal auditor and complete its internal audit on the Group’s activities for the financial year ended 31 December 2020 (“**FY2020**”) by May 2021.

The Company has since appointed Messrs Vaersa Advisory Sdn Bhd (“**Internal Auditors**”) as its independent internal auditors of the Company and an internal audit report dated 25 May 2021 (“**IA Report**”) was issued to the Company. The Audit Committee (“**AC**”) approved the appointment of the Internal Auditors and the latter reports directly to the Chairman of the AC. The AC is of the view that the internal audit function is adequately qualified (given, among others, its adherence to standards set by international recognised professional bodies), has adequate resources to perform its functions, is independent from the activities that it audits and has appropriate standing within the Group including its unfettered access to the Company’s documents, records, properties and personnel including access to the AC.

The Internal Auditors had carried out an internal audit review to assess the adequacy and effectiveness of the Group’s internal control and compliance with its policies and procedures on the system of internal control of the Finance Management Department (“**FM Department**”) for the period from October 2020 to March 2021:

- (a) Review of Standard Operating Procedure
- (b) Preparation of Annual Group Wide Budget
- (c) Cash Flow Projection and Monitoring
- (d) Quarterly Management Meeting
- (e) Petty Cash Management
- (f) Bank Reconciliations
- (g) Monitoring of Accounts Receivables
- (h) Monitoring of Accounts Payables
- (i) Receipt’s processing
- (j) Payment processing
- (k) Preparation of Journal Voucher and Posting to General Ledger
- (l) Review of Audit Adjustments.

The Internal Auditors had concluded that critical process risks have been identified within the FM Department and there are no material findings or issues noted that indicates significant control weaknesses or absence of a control activity thereof, and the need for urgent remedial action by instituting new control procedures or modifying existing procedures. Whilst there are certain weaknesses noted in the functioning or implementation of internal controls within the FM Department, the Company Management has taken and will take actions to address these findings by improving and/or enforcing the proper execution of existing control procedures as well as the adherence to established policies and procedures immediately or earliest by early July 2021.

The AC had reviewed IA Report, the explanation from Management of the Company and the records maintained by the Group. The AC also met with the Internal Auditors without the Management of the Company. The AC has carefully considered the various control and measures recommended by the IA Report, and is of the opinion that the recommended internal controls measures addressing financial, operational, compliance and information technology risks are adequate, and will monitor the implementation from time to time and ensure that there are no material weaknesses in the internal control systems of the Group.

The Company will maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits and the AC, together with the Management of the Company, will endeavour to work with the IA to carry out internal audit on the adequacy and effectiveness of the Group's internal controls for the current financial year ending 31 December 2021.

By Order of the Board  
**GCCP RESOURCES LIMITED**

Alex Loo An Swee  
Executive Director and Chief Executive Officer  
28 May 2021

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

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