

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 2021 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 2020. Pursuant to the Company's announcement dated 13 April 2021, a disclaimer of opinion was issued by the Auditor for the financial year ended 31 December 2020.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 - 7
D. Condensed interim statements of changes in equity	8
E. Notes to the condensed interim consolidated financial statements.....	9 -16
Other information required by Appendix 7C of the Catalyst Rules	17 - 25

A. Condensed interim consolidated statement of profit or loss and other comprehensive income
Period ended 30 September 2021

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	Change %	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	Change %
Revenue	1,421	1,550	(8)	3,709	4,759	(22)
Cost of sales	(2,145)	(1,111)	93	(4,853)	(3,814)	27
Gross (loss)/profit	(724)	439	33	(1,144)	945	(221)
Other items of income						
Interest income	-	6	n.m.	1	27	(96)
Rental income of equipment	(11)	191	(106)	28	375	(93)
Other Income	65	43	51	78	43	(84)
Items of expense						
Foreign exchange (loss)/gain, net	(6)	-	n.m.	(9)	-	n.m.
Selling and distribution expenses	(5)	(407)	(99)	(10)	(1,341)	(99)
General and administrative expenses	(2,219)	(1,789)	24	(5,844)	(5,158)	13
Finance costs	(55)	(20)	175	(277)	(205)	35
Loss before tax	(2,955)	(1,537)	92	(7,177)	(5,314)	35
Income tax expense	-	-	-	-	-	-
Loss for the period, representing total comprehensive loss for the period	(2,955)	(1,537)	92	(7,177)	(5,314)	35
Loss for the period, representing total comprehensive loss attributable to: -Owners of the Company	(2,955)	(1,537)	92	(7,177)	(5,314)	35
Loss per share for loss for the period attributable to owners of the Company during the period:						
Basic (MYR Cents)	(0.2)	(0.1)		(0.6)	(0.5)	
Diluted (MYR Cents)	(0.2)	(0.1)		(0.6)	(0.5)	

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 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	Change %	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	Change %
	Interest income	-	6	n.m.	1	27
Rental income of equipment	(11)	191	(106)	28	375	(93)
Finance costs	(55)	(20)	175	(277)	(205)	35
Depreciation of leasehold quarry lands	(660)	(669)	(1)	(1,980)	(1,980)	n.m.
Depreciation of property, plant and equipment	(615)	(600)	3	(1,827)	(1,829)	n.m.
Foreign exchange (loss)/gain, net	(6)	-	n.m.	(9)	-	n.m.

n.m. – not meaningful

B. Condensed interim statements of financial position
As at 30 September 2021

	Group		Company	
	30 September 2021 (Unaudited) MYR'000	31 December 2020 (Audited) MYR'000	30 September 2021 (Unaudited) MYR'000	31 December 2020 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	75,884	79,323	-	-
Investments in subsidiaries	-	-	2,414	2,414
	75,884	79,323	2,414	2,414
Current assets				
Inventories	1,011	2,030	-	-
Trade and other receivables	1,067	1,314	99,219	94,347
Tax recoverable	-	4	-	-
Pledged deposits	371	371	-	-
Cash and short-term deposits	862	137	-	-
	3,311	3,856	99,219	94,347
Total assets	79,195	83,179	101,633	96,761
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	17,473	20,821	5,259	8,199
Loans and borrowings	3,052	7,009	-	-
Tax payable	43	48	-	-
	20,568	27,878	5,259	8,199
Net current (liabilities)/assets	(17,257)	(24,022)	93,960	86,148
Non-current liabilities				
Loans and borrowings	5,638	4,459	-	-
Total liabilities	26,206	32,337	5,259	8,199
Net assets	52,989	50,842	96,374	88,562
Equity attributable to owners of the Company				
Share capital	173,912	164,588	173,912	164,588
Treasury shares	(9,086)	(9,086)	(9,086)	(9,086)
Other reserves	4,307	4,307	4,307	4,307
Accumulated losses	(116,144)	(108,967)	(72,759)	(71,247)
Total equity	52,989	50,842	96,374	88,562
Total equity and liabilities	79,195	83,179	101,633	96,761

C. Condensed interim consolidated statements of cash flows
Period ended 30 September 2021

	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000
Operating activities				
Loss before tax	(2,955)	(1,537)	(7,177)	(5,314)
<u>Adjustments for:</u>				
Depreciation of leasehold quarry lands	660	669	1,979	1,980
Depreciation of property, plant and equipment	615	600	1,827	1,892
Interest income	1	(6)	-	(27)
Interest expense	53	20	276	205
Operating cash flows before changes in working capital	(1,626)	(254)	(3,095)	(1,327)
<u>Changes in working capital</u>				
Decrease/(Increase) in trade and other receivables	(164)	(506)	248	(188)
(Decrease)/Increase in trade and other payables	(1,324)	837	(3,624)	2,624
Decrease/(Increase) in inventories	566	(46)	1,018	(137)
Net changes in working capital	(922)	285	(2,358)	2,299
Cash (used in)/generated from operations	(2,548)	31	(5,453)	972
Interest received	(1)	6	-	27
Income tax paid	(1)	-	(2)	(4)
Net cash (used in)/generated from operating activities	(2,550)	37	(5,455)	995
Investing activity				
Purchase of property, plant and equipment	(116)	-	(368)	1
Net cash used in investing activities	(116)	-	(368)	1
Financing activities				
Proceeds from issuance of share capital	-	-	9,324	-
Repayment of term loans	-	-	(401)	(579)
Repayment of lease liabilities	2	(56)	(112)	(207)
Advances from/(Repayment) to director	354	(68)	277	5
Withdrawal of pledged deposits	-	(6)	-	(27)
Interest paid	(53)	(20)	(275)	(205)
Net cash generated from/(used in) financing activities	303	(150)	8,813	(1013)
Net (decrease)/increase in cash and cash equivalents	(2,363)	113	2,990	(17)
Cash and cash equivalents at beginning of period	428	(4,854)	(4,925)	(4,950)
Cash and cash equivalents at end of the period (Note A)	(1,935)	(4,967)	(1,935)	(4,967)

Note A: Cash and cash equivalents

	Group	
	Nine Months Ended	
	30 September 2021 (Unaudited) MYR'000	30 September 2020 (Unaudited) MYR'000
Cash and short-term deposits as per statement of financial position	862	31
Bank overdraft	(2,797)	(4,998)
Cash and cash equivalents as per statement of cash flow	(1,935)	(4,967)

D. Condensed interim statements of changes in equity
Period ended 30 September 2021

Group

3Q2021 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 July 2021	173,912	(113,189)	(9,086)	4,307	55,944
Issuance of share capital	-	-	-	-	-
Loss for the period, representing total comprehensive loss for the period	-	(2,955)	-	-	(2,955)
Balance as at 30 September 2021	<u>173,912</u>	<u>(116,144)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>52,989</u>
3Q2020 (Unaudited)					
Balance as at 1 July 2020	164,588	(104,524)	(9,086)	4,307	55,285
Loss for the period, representing total comprehensive loss for the period	-	(1,537)	-	-	(1,537)
Balance as at 30 September 2020	<u>164,588</u>	<u>(106,061)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>53,748</u>

Company

3Q2021 (Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 July 2021	173,912	(72,041)	(9,086)	4,307	97,092
Issuance of share capital	-	-	-	-	-
Loss for the period, representing total comprehensive loss for the period	-	(718)	-	-	(718)
Balance as at 30 September 2021	<u>173,912</u>	<u>(72,759)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>96,374</u>
3Q2020 (Unaudited)					
Balance as at 1 July 2020	164,588	(70,459)	(9,086)	4,307	89,350
Loss for the period, representing total comprehensive loss for the period	-	(437)	-	-	(437)
Balance as at 30 September 2020	<u>164,588</u>	<u>(70,896)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>88,913</u>

E. Notes to the condensed 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 condensed interim consolidated financial statements as at and for the three months and nine months ended 30 September 2021 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 condensed interim financial statements for the three months and nine months ended 30 September 2021 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 2020.

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

There are no new standards, amendments to standards and interpretations, effective for annual periods beginning on or after 1 January 2021, which will result in significant impact on the condensed interim financial statements of the Group.

2.2. Use of judgements and estimates

In preparing the condensed 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 2020.

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; and (iii) the monitoring of headcounts, operating costs and overheads to reduce unnecessary costs in 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 2021, 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 2021.

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- 2021	September- 2020	September- 2021	Septemebre- 2020
	MYR'000	MYR'000	MYR'000	MYR'000
Primary geographical markets				
Malaysia	1,421	598	3,709	1,554
Indonesia	-	952	-	3,205
	1,421	1,550	3,709	4,759

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 2021 and 31 December 2020:

	The Group		The Company	
	30	31	30	31
	September 2021	December 2020	September 2021	December 2020
	MYR'000	MYR'000	MYR'000	MYR'000
Financial Assets				
Trade and other receivables	1,067	1,287	99,219	94,347
Pledged deposit	371	371	-	-
Cash and bank balances	862	137	-	-
Total financial assets at amortised cost	2,300	1,795	99,219	94,347
Financial Liabilities				
Trade and other payables	17,473	20,821	5,259	8,199
Loan and borrowings	8,690	11,468	-	-
Total financial liabilities at amortised cost	26,163	32,289	5,259	8,199

7. Loss before tax

7.1 Significant items

	Group			
	Three Months Ended		Nine Months Ended	
	September- 2021	September- 2020	September- 2021	September- 2020
	MYR'000	MYR'000	MYR'000	MYR'000
Audit fees payable to:				
- auditor of the Company	80	84	240	240
Depreciation of property, plant and equipment	1,275	1,269	3,807	3,809
Remuneration of the directors of the Company:				
- salaries and related costs	286	282	857	843
- fees	120	30	360	90
Remuneration of staff:				
- salaries and related costs	268	133	808	779
Rental expenses	8	11	36	28
Interest expenses	55	20	277	205
Interest income	-	6	1	27

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

	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Loss per share "LPS"				
Loss attributable to owners of the Company (MYR'000)	(2,955)	(1,537)	(7,177)	(5,314)
Weighted average number of ordinary shares ⁽¹⁾	1,248,601,196	1,169,445,976	1,248,601,196	1,169,445,976
Basic and diluted LPS (MYR cents) ⁽²⁾	(0.2)	(0.1)	(0.6)	(0.5)

Notes:

- (1) The weighted average number of ordinary shares are computed upon taking into account of the placement dated 7 June 2021 and 8 June 2021 respectively, which has completed the allotment and issuance of 46,875,000 Shares and 140,625,000 Shares to the Placees in accordance with the terms of the Placement Agreement.
- (2) The basic and diluted LPS are the same as there were no potentially dilutive securities in issue as at 30 September 2021 and 30 September 2020 respectively.

10. Dividends

No dividend has been recommended for the three months and half year ended 30 September 2021 (30 September 2020: 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

	Group		Company	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
	Net asset value			
Net asset value attributable to the owners of the Company (MYR'000)	52,989	50,842	96,374	88,562
Net asset value per ordinary share at the end of the period (MYR)*	0.04	0.04	0.07	0.08

* The calculation of net asset value per ordinary share (excluding treasury shares) was based on 1,356,945,976 ordinary shares as at 30 September 2021, and 1,169,445,976 ordinary shares as at 31 December 2020 respectively.

12. Property, plant and equipment

During the nine months ended 30 September 2021, the Group acquired assets amounting to MYR368,000 (30 September 2020: Nil) with depreciation amounting to MYR3,806,000 (30 September 2020: MYR3,872,000).

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 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
3,052	-	7,009	-

Amount repayable after one year

As at 30 September 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
5,638	-	4,459	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 September 2021 (Unaudited)	As at 31 December 2020 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	4,260	4,617	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	1,182	1,226	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	450	563	Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group.
Bank overdrafts	874	2,026	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	918	2,024	A first party first and second legal charge on leasehold quarry land and buildings and debenture over fixed and floating charge.
Bank overdrafts	1,006	1,012	Charge on the leasehold quarry land of the Company, corporate guarantee by the Holding Company and guarantee by a director of the Company.
	<u>8,690</u>	<u>11,468</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

	<u>Number of issued shares (excluding treasury shares)</u>	<u>Share capital (MYR)</u>
Balance as at 31 December 2020	1,169,445,976	155,501,496
Placement of new ordinary shares for cash	187,500,000	9,324,135
Balance as at 30 September 2021	<u>1,356,945,976</u>	<u>164,825,631</u>

The Company has announced on 7 May 2021 that a proposed placement of 187,500,000 new ordinary shares initiated, whereby shareholders' approval was sought during the extraordinary/special meeting. The Company then on 7 June 2021 and 8 June 2021 respectively, has completed the allotment and issuance of 46,875,000 Shares and 140,625,000 Shares to the Placees in accordance with the terms of the Placement Agreement.

Following the completion of the Proposed Placement, the total number of issued Shares of the Company has increased from 1,169,445,976 Shares to 1,356,945,976 Shares. The Placement Shares rank in all respects pari passu with, and carry all rights similar to, the existing issued Shares.

As at 30 September 2021, the Company held 23,986,957 treasury shares (30 September 2020: 23,986,957), equivalent to 1.77% (30 September 2020: 2.05%) of the total number of issued and paid up share capital of the Company.

The Company did not have any outstanding convertibles or subsidiary holdings as at 30 September 2021 and 30 September 2020. 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 2021	As at 31 December 2020
Total number of issued shares excluding treasury shares	1,356,945,976	1,169,445,976

(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 Catalyst Rules

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed consolidated statement of financial position of GCCP Resources Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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 2020 ("FY2020") the basis for which has been disclosed on pages 58 to 61 of the Company's Annual Report for FY2020 ("AR2020").

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

(1) Appropriateness of the Going Concern Assumption

- (i) The continual support from the Group's and the Company's lenders and stakeholders such as the creditors, vendors and suppliers who extended their credit terms to the Group and the Company and continue to provide uninterrupted supplies and services which will ease the cash outflow at this critical time faced by the Group and the Company;
- (ii) The existing stream of revenue generated from sales of the limestones at Gridland Quarry and the expected revenue from GCCP Marble 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 17 November 2020 and 1 March 2021 in relation to the non-binding expression of interest received to acquire the GCCP Gridland Quarry, negotiations with the interested buyer is still in progress ("Proposed Disposal"). Should the Proposed Disposal materialize and be completed, the resultant sale proceeds from are expected to ease the majority of the cashflow requirements of the Group and the Company.

(2) Impairment assessment of property, plant and equipment

For FY2020, 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 AR2020, 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 AR2020, 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 Financial Year 2020 have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except for the adoption of the new International Financial Reporting Standards ("IFRSs") and amendments to and interpretations of IFRSs applicable for the financial period beginning on or after 1 January 2020 as disclosed in Paragraph 5 below, the same accounting policies and methods of computations have been applied in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2020, 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 2021 ("3QFY2021") as compared to the three months ended 30 September 2020 ("3QFY2020").

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue decreased in 3QFY2021 against 3QFY2020, mainly due to the lower sales of precipitated calcium carbonate (PCC) stones which resulted from the full lockdown in Malaysia which started on June 2021 and ended on July 2021. The full lockdown has affected the production and

therefore resulted in lower sales in 3QFY2021.

There was no sales contribution from ground calcium carbonate (“GCC”) stones for 3QFY2021, as a result of the preparation of the diversification to marble industry at GCCP Marble Quarries.

Cost of sales

The increase in cost of sales mainly attributed to lower volume of closing stocks and preliminary development cost incurred for marble quarry.

Gross profit margin

The gross loss is mainly due to the incurrence of lower closing stocks and with the drop in sales volume which caused by the full lockdown in Malaysia during June to July 2021.

Other items of income

-Interest income

Interest income decreased mainly due to (i) lower deposit quantum as a result of withdrawal of pledged deposit, and (ii) lower effective deposit interest rate during the reporting period.

-Rental income

The reduction of non-core business income was mainly due to the decrease in rental income of equipment, as lesser machineries were rented out to the outsourced quarrying contractors amid the MCOs.

-Other income

The slight increase of other income was mainly due to financial aid received from government to assist companies in Malaysia during the pandemic.

Items of expense

-Selling and distribution expenses

The reduction in selling and distribution expenses was a result of no export activities leading to non-incurrence of cargo forwarding charges and transportation for oversea sales.

-General and admin expenses

The increase in general and admin expenses mainly attributed to:

- (i) the increase in provision of both directors’ fee and directors’ remuneration as a result of the appointment of new director during 4QFY2020; and
- (ii) the increase in professional fees such as secretarial fee, and listing expenses as compared against 3QFY2020.

-Finance costs

The increase in finance cost was attributed to the higher interest expenses of bank borrowings in 3QFY2021 against the corresponding period of preceding year.

Consolidated Statement of Financial Position

Non-current assets

The decrease was mainly due to depreciation of property, plant and equipment and leasehold quarry lands and offset by the acquisition of new property, plant and equipment for the marble operation, which amounted to MYR368,000.

Current assets

Current assets reduced mainly due to:

- (a) an increase in cash and short terms deposit as a result of the placement of new ordinary shares, and this increase was offset by:
 - (i) a decrease in inventories holding which was due to the reduction in production during the MCO period; and
 - (ii) a decrease in trade and other receivables which is in line with the lower sales, together with timely payment from customers.

Non-current liabilities

As at 30 September 2021, non-current liabilities increased against 31 December 2020 mainly due to the increase in terms loan (non-current liabilities) to replace the short terms tenure bank overdraft (current liabilities) that has higher interest rates.

Current liabilities

Current liabilities reduced significantly mainly due to:-

- a) a decrease in bank overdraft facility which was settled by (i) the current cash receipt of placement of new ordinary shares, and (ii) the longer tenure terms loan as mentioned above; and
- b) a decrease in trade and other payables largely due to the settlement of outstanding balance.

Net current liabilities position

As at 30 September 2021, the Group was at a net current liabilities position of MYR17.3 million. This negative working capital is a MYR6.7 million improvement from 31 December 2020. This improvement was mainly due to (i) the decrease in trade and other payables and bank borrowings; (ii) the increase in cash and short terms deposits as a result of the share issuance; and offset by the decrease in trade and other receivables and inventories.

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; 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 3QFY2021, the Group recorded a net decrease in cash and cash equivalents of MYR2.4 million.

Operating Activities

The net cash used in operating activities was attributable to (1) net loss of business activities, and (2) decrease in trade and other payables, and (3) increase in trade and other receivables which offset by decrease in inventories.

Investing Activities

Acquisition of property, plant and equipment amounted to MYR368,000.

Financing Activities

Net cash generated from financing activities for the nine months period of Year 2021 amounted to MYR 8.8 million, primarily contributed from fund generated from proceed of issuance of share capital during the quarter. A significant portion of the cash used in financing activities were applied towards the repayment of term loans, lease liabilities and finance cost.

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

The sales in 3QFY2021 for GCCP Gridland Quarry has not achieved what were expected due to lower production during the quarter as the operation was only back to normal by end of July 2021. In the coming quarter, we will be expecting the growth in sales for GCCP Gridland Quarry due to the improved Pandemic situation and assuming that the government will not impose any further lockdown in Malaysia.

In 3QFY2021, GCCP Marble Quarries has started the second phase of improvement of access road in order to allow the trucks to carry the materials down from the hill top. The operation team is working on the block cutting and we expect the commencement of operation in GCCP Marble Quarries in FY2022.

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 2021 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	Balance of Net Proceeds as at the date of this announcement
	MYR ' 000			
Placement expenses*	150	150	0	0
Purchase of machineries and equipment*	6,881	368	(6,513)	6,513
General working capital purpose*	2,293	8,231	5,938	(5,938)
Total (Placement Proceed translated in MYR)	9,324	8,749	-	575

Note: the above extra proceed and reallocation of fund (MYR9.324 million over expected MYR9 million) was due mainly to unrealized exchange loss. 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.

MYR8.23 million was utilised for General working capital purpose instead of the originally planned MYR2.29 million due to the following:

- The purchase of machineries and equipment was delayed due to MCOs in Malaysia leading to delays and postponements of discussions with potential partners to commence the marble business at the Marble Quarries. As such, instead of placing the proceeds in the bank earning negligible interest income, the same proceeds were used to reduce interest bearing borrowings. With the reduction in borrowings, the loan credit lines (bundled financing facilities with additional unutilised bank overdraft facility) were reinstated and increased for future utilisation for the purchase of machineries and equipment.
- Trade creditors, vendors and suppliers have been supporting the Company with extended credit terms to ease the cash flow of the Company and the Group during this critical pandemic period. As such, the Company utilised the proceeds to repay these key and supportive creditors, vendors and suppliers. The increased repayment will further enhance future support for the Company and the Group.

Accordingly, the Board would like to provide an update on the use of the net proceeds from the Placement as follows.

Breakdown of utilisation of working capital from the net proceed:

	MYR'000
1 REPAYMENT TO TRADE CREDITORS, SUPPLIERS & VENDOR	1,634
2 PLANT & MACHINERIES	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	2,778
	TOTAL	8,231

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.

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 2021 ("3QFY2021"), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Development Cost	50,000	54,000
Total	50,000	54,000

The minor variance was mainly due to higher diesel cost incurred compared to the time when the Group projected for the development cost.

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

For the next immediate quarter (financial period from 1st October 2021 to 31st December 2021 ("4QFY2021")), the Company's use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Development cost	60,000
Total	60,000

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

The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

12. Rule 705 (7) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

GCCP Marble Quarries

In the quarter under review, GCCP Marble Quarries has concluded the Independent Qualify Person Report ("IQPR"), including geographical surveys. The purpose of the exploration was to identify the feasibility of marble production at GCCP Marble Quarries.

The main priority of GCCP Marble Quarries is now cleaning the weather rocks on the surface and to commence the marble block productions, as well as the repair works of the crusher plant. There was no production of crushed stones at GCCP Marble Quarries in 3QFY2021.

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 32,244MT of crushed stones for 3QFY2021.

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 3QFY2021.

14. Interested person transactions

The Group has not obtained a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii). There were no IPTs that exceeded S\$100,000 during the financial period under review.

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the SGX-ST Listing Manual Section B: Rules of Catalist.

16. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

The Board of Directors of the Company hereby confirms that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the three months and six months ended 30 September 2021 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
12 November 2021

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 –

*Name: Mr. Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906
Tel: (65) 6241 6626*