

**GCCP Resources Limited**

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

**RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

The board of directors (the “**Board**”) of GCCP Resources Limited (the “**Company**” or “**GCCP**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 August 2020 in respect of the disclosures in the Company’s annual report for the financial year ended 31 December 2019 (“**FY2019**”) (“**AR2019**”) and wishes to provide the Company’s responses to the queries raised as follows:

Question	Response
1. In its report, the independent auditor stated that it was unable to obtain sufficient appropriate audit evidence to assess the reasonableness of certain key assumptions used, particularly in the determination of the recoverable amounts of the Group’s property, plant and equipment. Please clarify what audit evidence the independent auditor had requested for which were not obtained by the auditors.	For FY2019, the Group performed an impairment assessment to determine the recoverable amounts of the Group’s property, plant and equipment based on value-in-use computations using cash flow projections from forecasts approved by management, as disclosed in Note 3 of the AR2019 (the “ <b>Forecast</b> ”). The Forecast has key assumptions such as the new revenue stream expected to be generated by Hyper Act Marketing Sdn Bhd, a wholly-owned subsidiary of the Group, which owns the Hyper Act Quarries. In view of the current COVID-19 pandemic situation, there were uncertainties in relation to (i) the completion of the repair works; and (ii) the fruition of assumption of orders from customers used in the Forecast, which at the point of assessment, were not able to be substantiated as there were no firm orders or commitments from the customers.
2. Moving forward, how will the Board, in particular the AC, assist the external auditors in order to resolve the issues as described in the Disclaimer of Opinion?	The Board, and the Audit Committee, has taken steps to address the issues as described in the Disclaimer of Opinion, which stems on the key issue of the Appropriateness of the Going Concern Assumption, as follows:  (1) The Group has obtained and continues to work with the Group’s lenders, creditors, vendors and suppliers to extend their credit terms to the Group and continue to provide uninterrupted supplies and services, which will ease the cash outflow for the Group.  (2) The Group continues to generate revenue from the sales of the crushed stones at Gridland Quarry to provide for the costs of operations for the Group.  (3) The Group endeavours to complete the repair works at Hyper Act Quarries as soon as reasonably possible so that the new revenue stream, as projected in the Forecast, can be realized.  (4) The Group continues to monitor and optimize its headcounts, operating costs and overheads to reduce unnecessary costs in the Group.  In addition to the above, in view of the COVID-19 situation, financial institutions in Malaysia have extended

	<p>a 6-month automatic payment deferment grant, effective 1 April 2020, for term loans and hire purchases, which is expected to ease the cash outflows for the Group.</p> <p>One of the Executive Director of the Company has also provided an undertaking to financially support the Company whenever necessary with an interest free loan.</p>
3. What are the Board's views regarding the high turnover of the directors on the Board?	The Board is of the view that the high turnover of the directors is the result of the challenging times faced by the Group for the past years.

By Order of the Board

Loo An Swee, Alex  
Executive Director and Chief Executive Officer  
25 August 2020

*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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