

## **GCCP RESOURCES LIMITED**

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

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## **ACQUISITION OF LANDS BY WHOLLY-OWNED SUBSIDIARIES**

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### **1. INTRODUCTION**

The Board of Directors (the “**Board**”) of GCCP Resources Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) wishes to announce that two (2) wholly-owned subsidiaries of the Company, GCCP Global Sdn Bhd (“**GCCP Global**”) and Hyper Act Marketing Sdn Bhd (“**Hyper Act**”) (collectively referred to as the “**Purchasers**”), had on 11 November 2015 entered into the following sale and purchase agreements.

- A. GCCP Global had entered into a sale and purchase agreement to purchase a piece of industrial land in the District of Kinta, State of Perak, together with the fixtures erected thereon (“**Land A**”) at a purchase price of MYR2,800,000, from Pulau Rock Industries Sdn Bhd (“**Pulai Rock**”) (“**SPA A**”); and
- B. Hyper Act had entered into a sale and purchase agreement to purchase two (2) pieces of industrial quarry lands in the District of Kinta, State of Perak (individually referred to as “**Land B**” and “**Land C**”) at a purchase price of MYR27,500,000 (with each land at MYR13,750,000 respectively), from Sri Sarana Timber Enterprise Sdn Bhd (“**Sri Sarana**”) (“**SPA B**”);

(collectively referred to as the “**Proposed Acquisitions**”)

### **2. RATIONALE FOR THE ACQUISITIONS**

The Acquisitions are in line with the Company’s development strategy as disclosed in the Company’s offer document dated 20 April 2015 (the “**Offer Document**”). Land A, which is in the vicinity of the Hyper Act Quarry, shall be utilised to set up the limestone production facility for the Hyper Act Quarry, which includes, *inter alia*, a workshop, site office and an electrical substation. Lands B and C are situated adjacent to the Hyper Act Quarry, are industrial quarry lands with limestone reserves which acquisition would provide strategic synergy through the geographic proximity to the Group’s facilities.

The Proposed Acquisitions are in line with the ordinary course of business of the Group and the Proposed Acquisitions are not expected to have any material changes to the Group’s risk profile.

### **3. INFORMATION ON THE LANDS**

Land A is a piece of industrial land held under HS(D) 178740 PT 21287, Mukim Sungai Raya, District of Kinta, State of Perak measuring 23100 square meters together the fixtures erected thereon.

Land B is a piece of industrial land held under HS (D) 223863 PT 3713, Mukim of Sungai Raya, District of Kinta, State of Perak measuring 4.0469 hectares.

Land C is a piece of industrial land held under HS (D) 178990 PT 21550, Mukim of Sungai Raya, District of Kinta, State of Perak measuring 4.0469 hectares.

(collectively referred to as the “**Lands**”)

#### 4. INFORMATION OF THE VENDORS

Pulai Rock and Sri Sarana (collectively referred to as the “**Vendors**”) are both private limited companies incorporated in Malaysia. Sri Sarana is a wholly-owned subsidiary of Pulai Rock.

Mr Goh Ri Fatt and Ms Yeong Sow Yeen are the joint shareholders and directors of the Vendors. They are independent third parties whom are not related to any of the Group’s controlling shareholders, directors and any of their respective associates.

#### 5. PURCHASE PRICE

##### 5.1. Consideration

The purchase consideration for SPA A is MYR2,800,000, and SPA B is MYR27,500,000, and the total purchase consideration for the Proposed Acquisitions is thus MYR30,300,000 (the “**Consideration**”) (equivalent to S\$9,864,277 based on the exchange rate of MYR3.0716 to SGD1.00 (the “**Exchange Rate**”). Subject to the satisfaction of the obligations by the Vendors, the Consideration shall be satisfied in the following manner:-

##### Land A

- I. MYR840,000 as an initial cash refundable deposit shall be paid to Pulai Rock upon the execution of SPA A, which would be refunded in the event that the conditional precedents are unable to be fulfilled; and
- II. The remaining portion of MYR1,960,000 shall be payable in cash to Pulai Rock upon Completion.

##### Lands B and C

- I. MYR8,250,000 as an initial cash refundable deposit shall be paid to Sri Sarana upon the execution of SPA B, which would be refunded in the event that the conditional precedents are unable to be fulfilled; and
- II. The remaining portion of MYR19,250,000 shall be payable to Sri Sarana upon Completion through cash payment of MYR9,250,000 and by the issuance and allotment of new ordinary shares in the Company (the “**Consideration Shares**”) at an issue price of S\$0.23 per Consideration Share (“**Issue Price**”) equivalent to MYR10,000,000 (equivalent to S\$3,255,632 after applying the Exchange Rate).

The Consideration was arrived after arm’s length negotiations on a willing buyer and willing seller basis, with further reference made to independent third party valuation reports conducted by JS Valuers Property Consultants (Perak) Shd. Bhd. dated 26 October 2015 for Land A as well as Greater China Mineral & Energy Consultant Limited dated 8 October 2015 for Lands B and C, commissioned by the Company (the “**Valuation Reports**”).

Based on the Valuation Reports, Land A together with its fixtures is valued at MYR3.1 million. Lands B and C, together with the initial preliminary estimated limestone resources and reserves therein, are valued at USD 64.0 million (approximately equivalent to SGD87.8 million at the exchange rate of USD0.7284 to SGD1).

## 5.2. Consideration Shares

The Issue Price represents a premium of approximately 88.5% to the volume weighted average price (“**VWAP**”) of S\$0.122 for trades done on the shares of the Company on the Catalist Board of the SGX-ST on 9 November 2015 (being the full market day preceding the date of the Agreement).

The Consideration Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued ordinary shares in the capital of the Company (“**Shares**”) at the time of the issue except that the Consideration Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Consideration Shares.

The Consideration Shares will be issued pursuant to the authority granted by shareholders of the Company (“**Shareholders**”) by way of an ordinary resolution at the annual general meeting of the Company held on 29 May 2015 (“**2015 AGM**”) for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares) (the “**Share Issue Mandate**”).

The issued share capital of the Company as at the date of the 2015 AGM was 1,193,432,933 Shares and the maximum number of Shares to be issued other than on a pro rata basis is 596,716,466 Shares. As at the date of this announcement, the Share Issue Mandate has not been utilised. The proposed allotment and issuance of 14,154,508 Consideration Shares will fall within the limits of the Share Issue Mandate.

Assuming the successful allotment and issue of all the 14,154,508 Consideration Shares, the Company's issued and paid-up share capital will increase from 1,193,432,933 Shares to 1,207,587,441 Shares. The Consideration Shares represents 1.19 % of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 1.17 % of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Consideration Shares.

## 5.3. Funding

As disclosed in the Offer Document, a portion of the use of proceeds from the Company's initial public offering categorised under “Development of Hyper Act Quarry” shall be utilised for the purposes of this acquisition. The Group also intends to fund the Proposed Acquisitions using external bank borrowings.

## 6. KEY TERMS OF THE AGREEMENTS

### 6.1. Conditional Precedents

The Proposed Acquisitions are subjected to the following key terms and conditions, *inter alia*:-

- (a) all necessary governmental and regulatory consents and approvals where required for the transactions contemplated in the Agreement having been obtained by the Vendors, and such consents and approvals not having been amended or revoked prior to the date of completion of the Proposed Acquisitions (“**Completion Date**”);
- (b) the Vendors shall maintain the Letter of Authority of Quarry (also known as Surat Kelulusan Pengkuarian) for Lands B and C issued for the right to extract, remove and transport rock materials (if any) to be current and valid at all times;

- (c) the Vendors to deduce a good registrable title of the Lands;
- (d) all of the representations and warranties of the Vendors and the Land set forth in the Agreements being true and correct in all material respects, and any such representations or warranties that are qualified by materiality or material adverse effect being true in all respects, at and as of the Completion Date;
- (e) all representations, warranties and undertakings of the Vendors and the Land under the agreements are being complied with, and being true, accurate and correct in all respects as at the date of completion;
- (f) the Vendors shall ensure that Lands are free of any liabilities, encumbrances, pledges, mortgages or any form of restrictions at the date of the transfer.

## 6.2. Material Terms

### 6.2.1. Effect of Non-Fulfilment of Conditional Precedents

In the event that the necessary governmental and regulatory consents and approvals shall not have been obtained within ninety (90) days from the date of the Agreements (“**Confirmation Period**”) unconditionally or the application thereof having been rejected before expiry of the Confirmation Period, then shall automatically grant to the Vendor an extension of thirty (30) days from the date of the expiry of the Confirmation Period to obtain necessary governmental and regulatory consents and approvals or to appeal against the rejection (hereinafter referred to as the “**Extended Confirmation Period**”)

### 6.2.2. Completion

Completion of the agreements shall take when the Purchasers hereby expressly declares and confirms that though the Memorandum of Transfer has been executed by the Vendors in their favour on a date no earlier than ninety (90) days from the date of the sales and purchase agreements but no later than one hundred twenty (120) days from the date of the agreements or such other extended deadline as the parties may mutually agree in writing (“**Completion**”).

If by the Completion Deadline, either or both of the sales and purchase agreements cannot be completed solely because the necessary governmental and regulatory consents and approvals to transfer is still pending or under appeal, then the parties shall agree to extend the Completion Deadline by a further period of one hundred eighty (180) days (“**Extended Completion Deadline**”).

In the event that completion cannot occur due to the reason that presentation and registration of the respective Memorandum of transfers cannot occur pending adjudication and stamping of the same, the Parties hereby agree to extend a period of thirty (30) days for the purpose of adjudication and stamping of the Memorandum of Transfers.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

The financial effects of the Acquisitions on the net tangible assets/(liabilities) per share and earnings/(loss) per share of the Group, prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 (“**FY2014**”) as well as the unaudited financial results for the third quarter ended 30 September 2015 (“**3QFY2015**”). The financial effects below are purely for *illustrative purposes only* and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

## Net assets/(liabilities) Per Share

	Before the Proposed Acquisitions		After the Proposed Acquisitions	
	FY2014	3QFY2015	FY2014	3QFY2015
Net assets/(liabilities) of the Group (MYR'000)	<b>(30,906)</b>	<b>99,558</b>	<b>(20,906)</b>	<b>99,558</b>
Number of issued shares excluding treasury shares	<b>10,000<sup>(1)</sup></b>	<b>1,193,432,933</b>	<b>10,000<sup>(1)</sup></b>	<b>1,207,587,448</b>
Net assets/(liabilities) per Share (MYR)	<b>(3,091)</b>	<b>0.08</b>	<b>(2,091)</b>	<b>0.09</b>

### Note:

1. The calculation of net (liabilities) value per ordinary share for FY2014 was based on the 10,000 shares, which was before the share split by 94,382 times, the conversion shares arising from the convertible loans and the placement of 122,000,000 new IPO shares, which was effected in year 2015.

## 7.1. Earnings/(Loss) per Share

	Before the Proposed Acquisitions		After the Proposed Acquisitions	
	FY2014	3QFY2015	FY2014	3QFY2015
Net Profit/(Loss) of the Group (MYR'000)	<b>(43,044)</b>	<b>221</b>	<b>(43,044)</b>	<b>221</b>
Weighted average number of issued shares excluding treasury shares	<b>943,820,000</b>	<b>1,110,218,927</b>	<b>957,974,509</b>	<b>1,124,373,436</b>
<b>Earnings/(Loss) per share (MYR cents)</b>	<b>(4.5)</b>	<b>0.02</b>	<b>(4.5)</b>	<b>0.02</b>

## 8. DISCLOSABLE TRANSACTION

### 8.1. Relative Figures

The relative figures of the Proposed Acquisitions are computed on the bases set out in Rule 1006(a) to (e) of the SGX-ST Listing Manual Section B: Rules of Catalyst ("Catalist Rules") are as follows:

	Bases of calculation	Size of relative figures (%)
(a)	The net asset value of the assets to be disposed of compared with the group's net asset value.	NA
(b)	The net profits attributable to the assets acquired or disposed of compared with the group's net profits.	NA <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	6.77% <sup>(2)</sup>

(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	1.19% <sup>(3)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	NA

**Notes:**

1. "Net profits" means profit or loss before income tax, minority interests and extraordinary items. The Lands do not generate income.
2. Computed based on the Consideration of MYR30,300,000 (approximately S\$9,864,277 after applying the Exchange Rate) and the market capitalisation of the Company at SGD145,598,818 based on existing number of shares 1,193,432,933 at the share price of SGD0.122, which is the closing price on 9 November 2015.
3. Computed based on Consideration Shares to be issued by the Company, being 14,154,509 shares as compared to the issued share capital of the Company of 1,193,432,933 shares.

**8.2. Classification**

Based on the above, the relative figures for the Proposed Acquisitions, computed on the bases set out in Rule 1006 of the Catalist Rules, exceed 5% but are less than 75%. Accordingly, the Proposed Acquisitions constitute "discloseable transactions" under Rule 1010 of the Catalist Rules and do not require the approval of the shareholders of the Company ("**Shareholders**").

**9. MATERIAL INCREASE OF RESOURCES**

Land B and C are industrial quarry lands that possess limestone resources. Based on the Valuation Reports, the estimated mineral resource and ore reserve present in Lands B and C will be expected to be a material increase of new reserves upon Completion.

The Company has commissioned the Company's independent geologist, Greater China Mineral & Energy Consultant Limited to update and provide the qualified person's report to include the additional limestone resources.

The Company would provide Shareholders with the updated qualified person's report prepared in accordance with the requirements as set out in Practice Note 4C of the Catalist Rules as soon as practicable.

**10. SERVICE CONTRACTS**

No director is proposed to be appointed to the Company nor any service agreement entered into with the Company in connection with the Proposed Acquisitions.

**11. LISTING AND QUOTATION**

The sponsor of the Company (the "**Sponsor**"), PrimePartners Corporate Finance Pte. Ltd. will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Consideration Shares on Catalist of the SGX-ST.

## 12. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company (other than through their respective shareholdings in the Company), as well as their respective associates, has any interest, direct or indirect, in the Proposed Acquisitions.

## 13. DOCUMENTS FOR INSPECTION

A copy of the sales and purchase agreements and Valuation Reports will be made available for inspection during normal business hours at the registered office of the Company for 3QFY2015.

## 14. CAUTION IN TRADING.

**Shareholders are advised to continue exercising caution in trading their shares and to read this Announcement together with all other existing and future announcements by the Company in relation to the Proposed Acquisition carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

The Company would provide Shareholders updates when available.

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

Kenneth Leong  
Company Secretary  
11 November 2015

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*The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 30 April 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*