

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2015

GCCP Resources Limited (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 (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").

This announcement has been prepared by the Company and its contents have been reviewed by the 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.

Background

The Company together with its subsidiaries (the "**Group**") undertook the transactions described below as part of a corporate re-organisation implemented in preparation for its listing on the Catalist Board of the SGX-ST (the "**Restructuring Exercise**").

The details of The Restructuring Exercise are as follows:

(a) Incorporation of the Company

The Company was incorporated by the shareholders of GCCP Gridland Sdn. Bhd. ("**GSB**") and Hyper Act Marketing Sdn. Bhd. ("**HAM**") in Cayman Islands on 1 November 2013 as a company limited by shares, with an initial subscriber share capital of USD 200, for the purpose of becoming the holding company of the Group.

(b) Acquisition of GSB and HAM

In accordance with the terms of a Term Sheet agreement dated 6 December 2013 entered into between the Company and the shareholders of GSB and HAM ("**Shareholders**"), the entire issued share capital of GSB and HAM were transferred from the Shareholders to the Company for a consideration of MYR 5,000,000 and MYR 2 respectively, based on the respective issued share capital of GSB and HAM as at 3 December 2013.

Pursuant to the completion of the Restructuring Exercise, GSB and HAM became wholly owned subsidiaries of the Company. (For details of the restructuring exercise please refer to page 71, entitled "Restructuring Exercise" of the Offer Document dated 20 April 2015).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Financial Year Ended		Increase / (Decrease) %
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000	
Revenue	3,033	573	429
Cost of sales	(2,268)	(359)	532
Gross profit	765	214	257
Other items of income			
Interest income	354	32	1,006
Net foreign exchange gain	4,295	-	n.m
Other items of expense			
General and administrative expenses	(23,245)	(37,581)	(38)
Selling and distribution expenses	(732)	-	n.m
Net foreign exchange loss	-	(931)	n.m
Finance costs	(423)	(4,778)	(91)
Loss before tax	(18,986)	(43,044)	(56)
Income tax expense	-	-	-
Loss for the year, representing total comprehensive income for the year attributable to owners of the Company	(18,986)	(43,044)	(56)

- 1(a)(ii) Loss before tax for the year includes the following charges:

	Group		
	Financial Year Ended		Increase / (Decrease) %
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000	
Interest income	354	32	1,006
IPO expenses	(5,448)	(4,603)	18
Finance costs	(423)	(4,778)	(91)
Fair value loss on derivative financial instruments	(9,078)	(26,065)	(65)
Depreciation of leasehold lands	(881)	(484)	82
Depreciation of property, plant and equipment	(1,285)	(758)	69
Exploration expenditure	(979)	(340)	188
Net foreign exchange gain/(loss)	4,295	(931)	n.m

n.m. – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	55,717	29,908	-	-
Prepayments	9,090	4,000	-	-
Investments in subsidiaries	-	-	5,000	5,000
	64,807	33,908	5,000	5,000
Current assets				
Inventories	574	896	-	-
Trade and other receivables	15,356	21	105,482	41,343
Prepayments	-	1,943	-	676
Pledged deposits	1,102	1,069	-	-
Income tax recoverable	1	2	-	-
Cash and short-term deposits	21,554	9,457	1,268	2,884
	38,587	13,388	106,750	44,903
Total assets	103,394	47,296	111,750	49,903
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	2,725	6,185	951	2,197
Accrued operating expenses	2,880	585	-	585
Loans and borrowings	9,064	594	-	-
Derivative financial instruments	-	47,168	-	47,168
	14,669	54,532	951	49,950
Net current assets/(liabilities)	23,918	(41,144)	105,799	(5,047)
Non-current liability				
Loans and borrowings	3,060	23,670	-	21,960
Total liabilities	17,729	78,202	951	71,910
Net assets/(liabilities)	85,665	(30,906)	110,799	(22,007)
Equity attributable to owners of the Company				
Share capital	164,588	16,020	164,588	16,020
Treasury shares	(13,011)	-	(13,011)	-
Accumulated losses	(65,912)	(46,926)	(40,778)	(38,027)
Total equity/(deficit)	85,665	(30,906)	110,799	(22,007)
Total equity and liabilities	103,394	47,296	111,750	49,903

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
9,064	-	594	-

Amount repayable after one year

As at 31 December 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
3,060	-	23,670	-

Details of any collateral

The secured loans and borrowings comprised the following:

	As at 31 December 2015 (Unaudited)	As at 31 December 2014 (Audited)	Secured by
	MYR'000	MYR'000	
Term loan	857	1,177	Charge on a freehold residential land with a 2 storey bungalow held by a director of the Group.
Term loan	2,146	-	Charges on the leasehold corporate office lots, leasehold quarry lands, fixed deposits held with the bank and jointly and severally guaranteed by the directors of the Group.
Bank overdraft	8,041	-	Charges on the leasehold corporate office lots, leasehold quarry lands, fixed deposits held with the bank and jointly and severally guaranteed by the directors of the Group.
Obligation under finance leases	1,080	1,126	Charges on the assets bought under the leases and jointly and severally guaranteed by directors of the Group.
Convertible loans	-	21,961	Charge on the ordinary shares of the Company's subsidiaries, GCCP Gridland Sdn. Bhd. and Hyper Act Marketing Sdn. Bhd..
	<u>12,124</u>	<u>24,264</u>	

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Financial Year Ended	
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000
Operating activities		
Loss before tax	(18,986)	(43,044)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	1,285	758
Depreciation of leasehold lands	881	484
Write-off of property, plant and equipment	5	1
Loss on disposal of property, plant and equipment	7	-
Interest income	(354)	(32)
Net unrealised foreign exchange (gain)/loss	(2,031)	931
Fair value loss on derivative financial instruments	9,078	26,065
Finance costs	423	4,778
Operating cash flows before changes in working capital	(9,692)	(10,059)
<u>Changes in working capital</u>		
(Increase)/decrease in trade and other receivables	(14,582)	37
Decrease/(increase) in inventories	322	(896)
Decrease/(increase) in prepayments	899	(1,932)
Decrease in trade and other payables	(3,461)	(5,486)
Increase in accrued operating expenses	2,295	403
Net changes in working capital	(14,527)	(7,874)
Cash flows used in operations	(24,219)	(17,933)
Interest received	354	32
Interest paid	(423)	(180)
Income tax refunded/(paid)	1	(1)
Net cash used in operating activities	(24,287)	(18,082)
Investing activities		
Purchase of property, plant and equipment (Note A)	(26,606)	(21,449)
Prepayments for property, plant and equipment	(5,090)	-
Proceeds from disposal of property, plant and equipment	1	-
Net cash used in investing activities	(31,695)	(21,449)
Financing activities		
Proceeds from initial public offering ("IPO") of ordinary shares	75,501	-
Adjustment of proceeds from IPO of ordinary shares for IPO expenses and foreign exchange	(5,140)	-
Purchase of treasury shares	(13,011)	-
Proceeds from issuance of ordinary shares	-	5,000
Proceeds from convertible loans	-	50,692
Proceeds from term loan	2,300	-
Repayment of term loans	(473)	(2,271)
Repayment of hire purchase	(384)	(150)
Placement of pledged deposits	(33)	(235)

Net cash flows from financing activities	58,760	53,036
Net increase in cash and cash equivalents	2,778	13,505
Effect of exchange rate changes on cash and cash equivalents	1,278	(2,139)
Cash and cash equivalents at beginning of the year	9,457	(1,909)
Cash and cash equivalents at end of the year (Note B)	13,513	9,457

Note A: Purchases of property, plant and equipment

	Group	
	Financial Year Ended	
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000
Additions to property, plant and equipment	27,987	21,847
Add: Prepayments made in current year	-	4,000
Less: Prepayments made in prior year	(1,044)	(3,482)
Less: Purchase under hire purchase	(337)	(916)
Net cash outflow for purchases of property, plant and equipment	26,606	21,449

Note B: Cash and cash balances

	Group	
	Financial Year Ended	
	31 December 2015 (Unaudited) MYR'000	31 December 2014 (Audited) MYR'000
Cash and short-term deposits as per statement of financial position	21,554	9,457
Less: overdraft utilised	(8,041)	-
Cash and cash equivalent as per statement of cash flow	13,513	9,457

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share Capital	Accumulated Losses	Treasury Shares	Total Equity
	MYR'000	MYR'000	MYR'000	MYR'000
(Audited)				
Balance as at 1 January 2014	1	(3,882)	-	(3,881)
Loss for the year, representing total comprehensive income for the year	-	(43,044)	-	(43,044)
Conversion of convertible loans	11,019	-	-	11,019
Issuance of new ordinary shares	5,000	-	-	5,000
Balance as at 31 December 2014	16,020	(46,926)	-	(30,906)
(Unaudited)				
Balance as at 1 January 2015	16,020	(46,926)	-	(30,906)
Loss for the year, representing total comprehensive income for the year	-	(18,986)	-	(18,986)
Proceeds from share issuance at IPO	75,501	-	-	75,501
Adjustment of proceeds from IPO of ordinary shares for IPO expense and foreign exchange	(5,140)	-	-	(5,140)
Purchase of treasury shares	-	-	(13,011)	(13,011)
Conversion of convertible loans	78,207	-	-	78,207
Balance as at 31 December 2015	164,588	(65,912)	(13,011)	85,665

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company

	Share Capital	Accumulated Losses	Treasury Shares	Total Equity
	MYR'000	MYR'000	MYR'000	MYR'000
(Audited)				
Balance as at 1 January 2014	1	(29)	-	(28)
Loss for the year, representing total comprehensive income for the year	-	(37,998)	-	(37,998)
Conversion of convertible loans	11,019	-	-	11,019
Issuance of new ordinary shares	5,000	-	-	5,000
Balance as at 31 December 2014	16,020	(38,027)	-	(22,007)
(Unaudited)				
Balance as at 1 January 2015	16,020	(38,027)	-	(22,007)
Loss for the year, representing total comprehensive income for the year	-	(2,751)	-	(2,751)
Proceeds from share issuance at IPO	75,501	-	-	75,501
Adjustment of proceeds from IPO of ordinary shares for IPO expense and foreign exchange	(5,140)	-	-	(5,140)
Purchase of treasury shares	-	-	(13,011)	(13,011)
Conversion of convertible loans	78,207	-	-	78,207
Balance as at 31 December 2015	164,588	(40,778)	(13,011)	110,799

1(d)(ii) 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Share Capital – Ordinary Shares

	Number of issued shares	Share capital (MYR)
Balance as at 1 October 2015	1,193,432,933	164,587,851
Less: Purchase of treasury shares	(33,400,000)	(13,011,215)
Balance as at 31 December 2015	1,160,032,933	151,576,636

As at 31 December 2015, the Company held 33,400,000 treasury shares (31 December 2014: NIL). The total number of issued shares (excluding treasury shares) of the Company was 1,160,032,933 as at 31 December 2015 and 10,000 as at 31 December 2014 respectively.

Save as disclosed above, the Company did not have any outstanding options or convertibles as at 31 December 2015 and 31 December 2014. There have been no awards or options granted pursuant to the GCCP Performance Share Plan and Employee Share Option Scheme.

- 1(d)(iii) **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 31 December 2015	As at 31 December 2014
Total number of issued shares, excluding treasury shares	1,160,032,933	10,000*

The number of shares for the financial year ended 31 December 2014 was prior to the effect of share split by 94,382 times on 26 February 2015 (the "Share Split**"), the placement of conversion shares to the pre-placement investors (the "**Pre-IPO Conversion**") and the placement of 122,000,000 new IPO shares as at 30 April 2015 ("**IPO Placement**").*

- 1(d)(iv) **A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, as there were no sales, transfers, disposals, cancellation and/or use of treasury shares used in any manner as at the end of the current financial year reported on.

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)**

Not applicable.

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 Financial Reporting Standards ("**FRSs**") and amendments to FRSs applicable for the financial period beginning on or after 1 January 2015, 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 2014. The adoption of new FRSs and amendments to FRSs 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.

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**

Please refer to paragraph 4 above.

6. **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	
	Financial Year Ended	
	31 December 2015 (Unaudited)	31 December 2014 (Audited)
Loss per share ("LPS")		
Loss attributable to owners of the Company (MYR'000)	18,986	43,044
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	1,120,849,973 ⁽¹⁾	943,820,000 ⁽²⁾
Basic and diluted loss per share (MYR cents) ⁽³⁾	(1.69)	(4.56)

Notes:

- (1) The weighted average number of shares for the financial year ended 31 December 2015 is calculated at 1,120,849,973 shares, after taking into account the following:
a) the Share Split, the Pre-IPO Conversion and the IPO Placement; and
b) the effect of the share buy backs conducted by the Company in FY2015.
- (2) The weighted average number of shares for the financial year ended 31 December 2014 is calculated at 943,820,000 shares, after taking into account the effect of share split on 15 April 2014 and 26 February 2015 in order to better reflect position of the weighted average number of shares for the purpose of comparison.
- (3) The basic and diluted loss per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2015 and the impact of the convertible loans outstanding had an anti-dilutive effect on the basic loss per share for the financial year ended 31 December 2014.

7. **Net assets/(liabilities) 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 assets/(liabilities) value	Group		Company	
	31 December 2015 (Unaudited)	31 December 2014 (Audited)	31 December 2015 (Unaudited)	31 December 2014 (Audited)
Net assets/(liabilities) value attributable to the owners of the Company (MYR'000)	85,665	(30,906)	110,799	(22,007)
Net assets/(liabilities) per share at the end of the financial year (MYR)*	0.07 ⁽¹⁾	(3,091) ⁽²⁾	0.10 ⁽¹⁾	(2,201) ⁽²⁾

Notes:

- (1) The calculation of net assets/(liabilities) value per ordinary share as at 31 December 2015 was based on existing issued share capital of 1,160,032,933, excluding 33,400,000 treasury shares.
- (2) The calculation of net assets/(liabilities) value per ordinary share as at 31 December 2014 was based on the 10,000 shares, which was before the Share Split, the Pre-IPO Conversion and IPO Placement, which was effected in FY2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss on the followings: -
- (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 financial year ended 31 December 2015 ("FY2015") as compared to the financial year ended 31 December 2014 ("FY2014").

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue increased by 429% from approximately MYR0.57 million in FY2014 to MYR3.03 million in FY2015, was attributable to the increase in sale of crushed precipitated calcium carbonate ("**PCC**") stones from the GCCP Gridland Quarry. In FY2015, local and overseas sales accounted for 40% and 60% of the Group revenue respectively.

Cost of sales

The Group recorded a 532% increase in cost of sales to MYR2.27 million in FY2015 compared to MYR 0.36 million in FY2014. The increase in cost of sales was mainly attributable to the increase in production of limestone in FY2015 as compared to FY2014 and the increase of the faces for extraction of limestone at the GCCP Gridland Quarry in order to increase capacity for higher production.

Other items of income

Interest income

There was an interest income of MYR0.35 million in FY2015 as compared to MYR32,000 in FY2014, generated from the increase in the placement of fixed deposit from the cash received as a result of the IPO exercise which took place on 30 April 2015.

Foreign exchange gain/(loss), net

The Group recorded a net foreign exchange gain of MYR4.29 million in FY2015, as compared to a loss of MYR0.93 million in FY2014, mainly due to the progressive conversion of funds from our Singapore Dollar bank account to Malaysia Ringgit bank account.

Other items of expense

The Group's other items of expense consist of general and administrative expenses, selling and distribution expenses and finance costs.

General and administrative expenses

General and administrative expenses comprised mainly staff-related expenses, professional fees, printing cost, office and equipment rental, depreciation of leasehold land and machineries.

General and administrative expenses decreased to MYR23.25 million in FY2015, as compared to MYR37.58 million in FY2014. The lower general and administrative expenses was mainly due to the decrease in fair value loss of derivative financial instruments from MYR26.06 million in FY2014 to MYR9.08 million in FY2015. The decrease was mainly due to the conversion of the convertible loan in relation to the IPO. The decrease was offset by an increase in depreciation, staff-related expenses, IPO expenses, machinery rentals and utilities. The increase in depreciation of property, plant and equipment from MYR2.17 million in FY2015 as compared to MYR1.24 million in FY2014, was in line with the increase in property, plant and equipment.

Exploration expenditure

Exploration expenditure increased from MYR0.34 million in FY2014 to MYR0.98 million in FY2015 due to the additional faces opened for the blasting and extraction of limestone at Gridland site.

Selling and distribution expenses

Selling and distribution expenses of MYR0.73 million comprised export cargo forwarding charges and transportation charges incurred for delivery of PCC stones to port for export sales. There were no such selling and distribution expenses in FY2014 as the Group had not commenced export sales.

Finance costs

Finance costs decreased to MYR0.42 million in FY2015 from MYR4.78 million in FY2014, mainly due to the absence of interest expense incurred from the convertible loans in FY2014. These convertible loans were converted to ordinary shares in April 2015. The decrease was offset by interests charged on an additional term loan of MYR2.30 million secured in FY2015 for the acquisition of office lots, new hire purchase of MYR0.34 million secured for the purchase of Company vehicles and overdraft utilised.

Taking the above mentioned into account, the Group recorded a loss before tax of MYR18.99 million in FY2015, compared to a loss before tax of MYR43.04 million in FY2014.

Consolidated Statement of Financial Position

Non-current assets

The increase in property, plant and equipment as at 31 December 2015 to MYR55.72 million from MYR29.91 million in 31 December 2014 was mainly due to the capitalisation of progress payments made in the construction of the crusher plant, the preparation work for the powder plant at Hyper Act quarry and the purchase of four (4) units of office lots under GSB.

Prepayments for property, plant and equipment of MYR9.09 million was in relation to refundable deposits for the purchase of industrial lands made in accordance with the Company's announcement made on 11 November 2015 (the "**Land Acquisitions**").

Current assets

Current assets increased by 188% to MYR38.59 million as at 31 December 2015 from MYR13.39 million as at 31 December 2014, mainly due to the following:

- a) Inventories were reduced from MYR0.90 million to MYR0.57 million due to the fulfilment of the increased orders from existing customers.
- b) Increase in trade and other receivables from MYR0.02 million to MYR15.36 million mainly due to the following:
 - Increase in trade receivables of MYR1.54 million as a result from the higher revenue;
 - Increase in deposits made to various vendors of MYR4.36 million for provision of services like utilities at the quarries, supply of engineering design drawings and tender documentation for calcium carbonate powder plant and deposits for quarry production assets at the Hyper Act Quarry;
 - Increase in net goods and services tax recoverable input tax of MYR0.35 million; and
 - A refundable deposit of MYR9.11 million paid to secure a quarry land in a country located in South East Asia.
- c) Decrease in prepayments to nil in FY2015 from MYR1.94 million in FY2014 mainly due to the expensed of prepayments made in relation to IPO expenses during the financial year.
- d) Slight increase in pledged fixed deposits from MYR1.07 million to MYR1.10 million to secure the Group's banking facilities.
- e) Increase in cash and short-term deposits from MYR9.46 million in FY2014 to MYR21.55 million in FY2015 mainly due to the IPO proceeds received from the listing on the Catalist on 30 April 2015.

Non-current liability

Non-current loans and borrowings decreased by 87% to MYR3.06 million as at 31 December 2015 from MYR23.67 million as at 31 December 2014 mainly due to the conversion of MYR21.96 million of convertible loans to ordinary shares of the Company pursuant to its listing on the Catalist. The decrease was partially offset by the new term loan of MYR2.3 million secured in FY2015 for the purchase of the office lots.

Current liabilities

Current liabilities decreased by 73% to MYR14.67 million as at 31 December 2015 from MYR54.53 million as at 31 December 2014 mainly due to the derivative financial instruments arising from the convertible loans of MYR47.17 million which was accounted in share capital on conversion. Trade and other payables decreased from MYR6.19 million in FY2014 to MYR2.73 million in FY2015 due to the settlement of most payables owing to the contractors and suppliers after the completion of work at Hyper Act site. The decrease was mainly offset by increase in bank overdraft of MYR8.04 million and also the increase of accrued operating expenses from MYR0.6 million in FY2014 to MYR2.9 million in FY2015 which arose from unbilled development cost of MYR2.0 million for Hyper Act site.

Equity attributable to owners of the Company

As at 31 December 2015, the equity attributable to owners of the Company was MYR85.67 million which consisted of MYR13.01 million worth of treasury shares purchased in December 2015, the issued share capital amounted to MYR164.59 million and the accumulated losses amounted to MYR65.91 million. In FY2014 there was a deficit of MYR30.91 million, attributable to owners of the Company which comprised share capital of MYR16.02 million and accumulated losses of MYR46.93 million. The increase of equity attributable to the owners of the Company was due to the conversion of convertible loan of MYR78.21 million and the issuance of new IPO shares at a net amount of MYR70.36 million, partially offset by the increase in accumulated losses of MYR18.99 million.

Consolidated Statement of Cash Flow

In FY2015, the Group recorded net cash used in operating activities of MYR24.29 million as compared to MYR18.08 million in FY2014.

The net cash used in operating activities comprised operating cash outflow before changes in working capital of MYR9.69 million adjusted for working capital outflow of MYR14.53 million, interest paid of MYR0.42 million and interest received of MYR0.35 million. The working capital outflow was mainly due to the following:

- (a) increase in trade and other receivables of MYR14.58 million;
- (b) decrease in prepayment of MYR0.90 million;
- (c) decrease in inventories of MYR0.32 million;
- (d) decrease in trade and other payables of MYR3.46 million; and
- (e) increase in accrued operating expenses of MYR2.30 million.

In FY2015, net cash used in investing activities amounted to MYR31.70 million which arose from the acquisition of property, plant and equipment of MYR26.61 million as well as refundable deposit and advance placed for the acquisition of industrial lands of MYR9.1 million of which there was an amount of MYR4.0 million paid previously in FY2014.

Net cash generated from financing activities amounted to MYR58.76 million in FY2015, mainly attributable to net proceeds of MYR70.36 million from share issuance at IPO and MYR2.30 million from loans and borrowings, partially offset by MYR13.01 million of cash outflow arising from purchase of treasury shares, repayment of loans and borrowings of MYR0.86 million.

As at 31 December 2015, the Group's cash and cash equivalents was MYR13.51 million after netting off bank overdraft of MYR8.04 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. 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 reporting period and the next 12 months.

The Group has recorded an increase in the sale of crushed PCC in FY2015. The high grade quality of PCC crushed stones which the Group produced has received favourable responses from the existing customers and led to new orders from existing customers both locally and overseas. This recognition by customers strengthened the position of the Company as a high grade limestone producer which should support revenue growth moving forward.

The Group has also received interests from several potential new customers for the orders of crushed ground calcium carbonate ("**GCC**") produce at Hyper Act Quarry and is expected to receive order placements before the end of the first quarter of 2016. This will start to mark the Group's market position as a producer of GCC crushed stones.

Presently the outlook for the demand of PCC and GCC crushed stones remains positive. The Group does not expect any unfavourable factors which will affect the sales of our products and is on track to secure the orders covering the level of production achieving in FY2016.

Construction of the powder grinding plant is expected to commence in the second quarter this year with preliminary work such as the planning and design, relevant licenses application and the preparation of the powder plant site, under the subsidiary GCCP Global Sdn. Bhd ("**GCCP Global**"), are already in progress at the time of this announcement.

11. 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.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend for the financial year 31 December 2015 has been recommended.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii).

There was no IPT with value of more than S\$100,000 entered into during the financial year.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Revenue segment information

Revenue was derived entirely from the sales of PCC stones, a single operating segment, from the GCCP Gridland Quarry in FY2015 and FY2014.

(b) Geographical segment information

Revenue	FY2015 MYR'000	FY2014 MYR'000
Malaysia	1,226	573
Indonesia	1,807	-
Total	3,033	573

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to paragraph 8.

In addition, factors leading to the financial performance of the Group which affect the contributions to the turnover and earnings also includes the level of capacity achieved by the GCCP Gridland quarry. The level of capacity achieved was dependable on the performance of the crushing plant. The performance of the crushing plant relied mainly on the volume of rocks supplied from the blasting and breaking activities. The number of blasting and breaking improved towards the end of FY2015 with the opening of multiple faces at the hill in GCCP Gridland site. The crushing plant at Hyper Act Quarry was newly commissioned at the time of this announcement and will require some actual production run time and continuous calibration to achieve the desired capacity which in turn would affect the productivity level at the quarry.

16. A breakdown of sales

	<u>Group</u>		<u>Increase /</u>
	<u>FY2015</u> <u>MYR'000</u>	<u>FY2014</u> <u>MYR'000</u>	<u>(Decrease)</u> <u>%</u>
Sales reported for first half year	96	197	(51)
Loss after tax before deducting minority interests reported for first half year	(18,325)	(2,019)	808
Sales reported for second half year	2,937	376	681
Loss after tax before deducting minority interests reported for second half year	(661)	(41,025)	(98)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend had been declared during FY2015 and FY2014.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Loo Wei Hong ("Loo WH")	23	Son of our CEO, Alex Loo	Assistant Project Manager – Operations Department Loo WH was assigned to supervise the commissioning of the crusher plant at Hyper Act site and also coordinate with the contractors and consultants at the planning stage of the building of powder plant at GCCP Global site. Position was first held: 1 July 2015	Loo WH joined the Company on 17 July 2014 as the personal assistant to the CEO and was later transferred to the Operations Department as the Assistant Project Manager on 1 July 2015.

19. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$23.2 million (excluding listing expenses of approximately S\$4.8 million raised) from the IPO on the Catalist Board of the SGX-ST on 30 April 2015.

As at the date of this announcement, the status on the use of the IPO net proceeds are as follows:

<u>Use of IPO Net Proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount Utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Development of the Hyper Act Quarry	15,000	11,000	4,000
Working capital ⁽¹⁾	8,232	5,000	3,232
Expenses incurred in connection with the Placement	4,828	4,828	-
Total	28,060	20,828	7,232⁽²⁾

Notes:

- 1) Working capital utilised consisted of approximately S\$3.0 million paid as a refundable advance to secure the acquisition of a new limestone hill in South East Asia and S\$2.0 million used for general and administrative expenses and selling and distribution expenses in FY2015. The general and administrative expenses consisted mainly of MYR1.3 million (approximately equivalent to S\$0.4 million) for salary and wages, MYR1.1 million (approximately equivalent to S\$0.4 million) for directors' remuneration, MYR0.6 million (approximately equivalent to S\$0.2 million) for land filling, MYR0.5 million (approximately equivalent to S\$0.2 million) for printing and stationery, MYR0.5 million (approximately equivalent to S\$0.2 million) for travelling expenses, and MYR1.0 million (approximately equivalent to S\$0.3 million) for other operating expenses. The selling and distribution expenses amounted to MYR0.7 million (approximately equivalent to S\$0.2 million).
- 2) Out of the total unused balance of S\$7.2 million from the IPO proceeds, an amount of MYR21 million (approximately equivalent to S\$7 million) was placed in the bank as fixed deposits for the Group to secure some banking facilities.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

20a. Rule 705 (6)(a) of the Catalyst Listing Manual

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

For the quarter ended 31 December 2015 (“4QFY2015”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Progressive payment for the powder plant	1,000,000	-
Progressive payment for crusher plant	4,500,000	3,600,000
Development cost	3,000,000	3,000,000
Payment for Land Acquisitions	9,000,000	6,090,000
Total	17,500,000	12,690,000

Variance Explanation:

No further progress and payment for the construction of the powder plant project since last quarter due to ongoing transfer process of land title of the industrial land to be acquired from the Land Acquisitions which is expected to be completed at the end of the first quarter of the financial year ending 31 December 2016.

Crusher plant at the Hyper Act Quarry site has been fully commissioned but it is presently calibrating to achieve the desired capacity before the actual production kicks in. As such the remaining payment to the supplier is on hold until the crusher plant is calibrated up to the required standard.

The development at the site is on schedule and cost has been paid according to the projection.

The transfer of title for the industrial land acquired from the Land Acquisitions is in progress and the payment is being disbursed progressively. The under payment for Land Acquisitions was due to the longer than expected time required for the transfer which is still within the time frame of the agreement.

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 January 2016 to 31 March 2016 (“1QFY2016”), the Company’s use of funds/cash for development activities are expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Progressive payment for the powder plant	2,000,000
Progressive payment for crusher plant (Final payment of MYR4.5 million will be released when the newly commissioned crushing plant is calibrated accordingly to the standard capacity mentioned in the contract.)	4,500,000
Development cost	3,000,000
Payment for Acquisition of lands	11,000,000
Total	20,500,000

For the Group’s development plan, please refer to the sections entitled “General Information on our Company and our Group – Our Quarries” and “General Information on our Company and our Group – Business Strategies and Future Plans” of our Offer Document dated 20 April 2015.

20b. Rule 705 (6)(b) of the Catalyst 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.

21a. Rule 705 (7)(a) of the Catalyst 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;

As at the date of this announcement, the construction of crusher plant at Hyper Act Quarry has been completed and presently undergoing a series of trial runs and calibration in order to achieve the desired capacity. Production is expected to be running in early March 2016. The construction work for the powder grinding plant will commence as soon as the transfer of the title of the industrial land acquired from the Land Acquisition is completed, which is expected to be in the end of the first quarter of 2016.

A summary of the expenditure at Hyper Act Quarry site incurred up to FY2015 for the aforementioned activities are as follows: -

	Amount (MYR'000)
Deposits and progressive payment for power and crusher plants and equipment	18,300
Land filling and development cost	9,300
Total	27,600

21b. Rule 705 (7)(b) of the Catalyst Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Company has no material updates on the reserves and resources as set out in the IQPR ("**Independent Qualified Person's Report**") dated 2 February 2015. A copy of the IQPR can be found in the Company's Offer Document dated 20 April 2015.

**BY ORDER OF THE BOARD
GCCP RESOURCES LIMITED**

Loo An Swee, Alex
Executive Chairman and CEO

26 February 2016