

APPENDIX TO THE ANNUAL REPORT

This Appendix is issued by GCCP Resources Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2015. The purpose of the Appendix is to provide shareholders with the relevant information relating to the proposed renewal of the Share Buy Back Mandate and to seek shareholders’ approval for the same at the Annual General Meeting of the Company to be held at HortPark, 33 Hyderabad Rd, Fruit Room, Singapore 119578.

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Appendix, together with the Notice of Annual General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

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 Appendix 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 Appendix.

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

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.



GCCP RESOURCES LIMITED

(Company Registration Number OI-282405)
(Incorporated in the Cayman Islands on 1 November 2013)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

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DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “AGM”* : The annual general meeting of the Company
- “Annual Report”* : The annual report of the Company for FY2015
- “Articles”* : The Articles of Association of the Company, as amended from time to time
- “Appendix”* : This appendix to the Annual Report dated 14 April 2016
- “Associate”* : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board of Directors” or “Board”* : The board of directors of the Company for the time being
- “Catalist”* : The Catalist Board of the SGX-ST
- “Catalist Rules”* : Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
- “Cayman Companies Act” or “Companies Act”* : The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
- “CDP”* : The Central Depository (Pte) Limited
- “Company”* : GCCP Resources Limited

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<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
<i>“Directors”</i>	:	The directors of the Company for the time being
<i>“EGM”</i>	:	The extraordinary general meeting of the Company
<i>“EPS”</i>	:	Earnings per Share
<i>“LPS”</i>	:	Loss per Share
<i>“FY”</i>	:	Financial year of the Company ended or ending 31 December (as the case may be)
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	5 April 2016, being the latest practicable date prior to the printing of this Appendix
<i>“Market Day”</i>	:	A day on which SGX-ST is open for securities trading
<i>“Memorandum”</i>	:	The Memorandum of the Company
<i>“NAV”</i>	:	Net asset value
<i>“Notice of AGM”</i>	:	Notice of 2016 AGM set out in pages 73 to 78 of the Annual Report
<i>“NTA”</i>	:	Net tangible assets
<i>“Relevant Period”</i>	:	The period commencing from the date on which the ordinary resolution in relation to the Share Buy Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in a general meeting
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)

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<i>“SFA” or “Securities and Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term <i>“Shareholders”</i> shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Share Buy Back Mandate”</i>	:	The general and unconditional mandate given by Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
<i>“SIC”</i>	:	Securities Industry Council
<i>“Singapore Companies Act”</i>	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<i>“Sponsor”</i>	:	PrimePartners Corporate Finance Pte. Ltd.
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
<i>“Takeover Code”</i>	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
<i>“Treasury Shares”</i>	:	Issued Shares of the Company which was (or is treated as having been) purchased by the Company in circumstances which Section 37A of the Cayman Companies Act applies and has since purchase been continuously held by the Company

Currencies, Units and Others

<i>“S\$”, or “cents”</i>	:	Singapore dollars and cents, respectively
<i>“MY\$”, or “MR cents”</i>	:	Malaysian Ringgit dollars and cents, respectively
<i>“%” or “per cent”</i>	:	Per centum or percentage

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The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Cayman Companies Act, Singapore Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Cayman Companies Act, Singapore Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

GCCP RESOURCES LIMITED

(Company Registration Number OI-282405)
(Incorporated in the Cayman Islands on 1 November 2013)

Directors:

Loo An Swee, Alex (Executive Chairman and Chief Executive Officer)
Pang Kim Chon (Executive Director and Chief Operating Officer)
Pay Cher Wee (Non-Executive and Non-Independent Director)
Tan Eng Ann (Lead Independent Director)
Dato Thomas Koh (Independent Director)
Boon Thye
Denys Collin Munang (Independent Director)
Teng Chang Yeow (Independent Director)

Registered Office:

Offshore Incorporations
(Cayman) Limited
Floor 4, Willow House,
Cricket Square
PO Box 2804
Grand Cayman KY1-1112
Cayman Islands

14 April 2016

To: The Shareholders of GCCP Resources Limited

Dear Shareholder,

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information pertaining to ordinary resolution 12 in relation to the proposed renewal of the Share Buy Back Mandate, and to seek Shareholders' approval in respect of the same at the AGM to be held on 29 April 2016 at 2:30 p.m. at HortPark, 33 Hyderabad Rd, Fruit Room, Singapore 119578 (the "**2016 AGM**"), the notice of AGM which is set out on pages 73 to 78 of the Annual Report.

The SGX-ST and Sponsor take no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Background

Shareholders have approved the adoption of the Share Buy-Back Mandate on the extraordinary general meeting held on 30 September 2015 (the "**2015 EGM**") and would expire on the 2016 AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy-Back Mandate at the 2016 AGM.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Memorandum, the Articles, the Cayman Companies Act and the Catalyst Rules and such other laws and regulations as may for the time being be applicable. Article 3(2) of the Articles expressly permits the Company to purchase its issued Shares.

If approved by Shareholders at the 2016 AGM, the authority conferred by the Share Buy Back Mandate will take effect from the date of the 2016 AGM at which renewal of the Share Buy Back Mandate will be approved ("**Approval Date**") and continue to be in force until the date

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on which the next AGM of the Company is held or required to be held, or it is varied or revoked by the Company in a general meeting, whichever is the earliest, and may be renewed by Shareholders in a general meeting.

2.2 Rationale for the Share Buy Back Mandate

The Share Buy Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share.

The Directors further believe that share buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders confidence.

If and when circumstances permit, the Directors will decide whether to effect the share buy-backs via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out share buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company or the Group.

3. TERMS OF THE SHARE BUY BACK MANDATE

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buy Back Mandate are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company unless the Company has, at any time during the period commencing from the Approval Date and expiring on the date the next AGM of the Company is held or is required to be held, whichever is the earlier, reduced its share capital in accordance with the applicable provisions of the Cayman Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as treasury shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 1,169,445,976 Shares, excluding Treasury shares, and assuming that no further Shares are issued at or prior to the 2016 AGM, not more

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than 116,944,597 Shares (representing ten per cent (10%) of the issued and paid-up share capital of the Company) may be purchased or acquired by the Company pursuant to the proposed Share Buy Back Mandate.

As at Latest Practicable Date, the Company held 23,986,957 Treasury Shares.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made during the Relevant Period, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law or the Articles to be held; or
- (b) the date on which the buy-back of the Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting.

The authority conferred by the Share Buy Back Mandate to purchase or acquire Shares may be renewed at each AGM or any other general meeting of the Company.

3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Singapore Companies Act and which will satisfy all the conditions prescribed by the Articles and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Catalist Rules, Articles and Memorandum and the Cayman Companies Act as they consider fit in the interest of the Company in connection with or in relation to any equal access scheme(s).

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
- I. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - II. (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - III. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy-back;
- (d) the consequences, if any, of Share buy-back by the Company that will arise under the Takeover Code or other applicable takeover rules;
- (e) whether the Share buy-back, if made, would have any effect on the listing of the Shares on SGX-ST;
- (f) details of any Share buy-back made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter).

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period.

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUY BACK MANDATE

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

4.1 Cancellation

A Share purchased or acquired by the Company is, unless held as a treasury share in accordance with the Cayman Companies Act, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire and the Company’s issued share capital (but not the authorised capital) shall be diminished by the nominal value of that Share. The total number of issued Shares (but not the Company’s authorised share capital) will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company. All Shares purchased and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

4.2 Treasury Shares

Under the Cayman Companies Act, a company may hold shares so purchased or acquired as treasury shares provided that:

- (a) the memorandum and articles of association of the company do not prohibit it from holding treasury shares;
- (b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and
- (c) the company is authorised in accordance with the company’s articles or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares.

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Treasury Shares held by the Company will continue to be classified as treasury shares until they are either cancelled or transferred. If the Company holds Treasury Shares, it may at any time:

- (a) cancel the Treasury Shares in accordance with any relevant provisions in the Cayman Companies Act, or in absence any such provisions, by resolution of its directors, and if so cancelled the amount of the Company's issued share capital shall be diminished by the nominal or par value of those shares accordingly but the Company's authorised share capital shall not be reduced; or
- (b) transfer some or all of the Treasury Shares.

For so long as the Company holds Treasury Shares:

- (a) notwithstanding that the Company shall be entered in its register of members as holding those shares:
 - (i) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void; and
 - (ii) a treasury share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of the Articles or the Cayman Companies Act;
- (b) no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company, in respect of a treasury share; and
- (c) Shares may be allotted and issued in treasury as fully paid bonus shares in respect of treasury shares.

4.3 Requirements of Catalist Rules

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of Shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

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5. SOURCE OF FUNDS FOR SHARE BUY BACK

The Company may only apply funds for the Share Buy Back Mandate in accordance with the Cayman Companies Act, Articles and the applicable laws in the Cayman Islands and the Catalyst Rules. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Articles and the Cayman Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may only be made out of the profits of the Company, out of the share premium account, out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or by a payment out of capital in accordance with the provisions of the Cayman Companies Act.

A payment out of capital by the Company for the purchase of its own Shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buy Back Mandate.

The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Company and the Group would be materially adversely affected.

6. TAKE-OVER IMPLICATIONS UNDER THE TAKEOVER CODE

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

6.1 Appendix 2 of the Takeover Code

Appendix 2 of the Takeover Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out in Section 6 of this Appendix.

6.2 Obligation to make a take-over offer

Rule 14 of the Takeover Code (“**Rule 14**”) requires, *inter alia*, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

LETTER TO SHAREHOLDERS

- (c) such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

6.3 Persons acting in concert

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely, (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Consequently, a Director and persons acting in concert (as such term is defined in the Takeover Code) with him could, depending on the level of increase in his/her or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy-back of Shares.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% in any period of six (6) months.

Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in Section 12 of this Appendix.

6.4 Effect of Rule 14 and Appendix 2 of the Takeover Code

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or

LETTER TO SHAREHOLDERS

- (b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Takeover Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (i) the voting rights of such Shareholder would increase to 30% or more; or
- (ii) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the renewal of the Share Buy Back Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.

6.5 Application of the Takeover Code

As at the Latest Practicable Date, the details of the shareholdings of the Substantial Shareholders and Directors of the Company are set out in Section 12 as below.

As at the Latest Practicable Date, based on the number of Shares held by the Directors and substantial Shareholders of the Company, the purchase by the Company of the maximum limited of ten per cent. (10%) of its issued share capital would not cause:-

- (a) The voting rights of any of the Substantial Shareholders and Directors of the Company to increase to thirty per cent (30%) or more; and
- (b) in respect of a Director or substantial Shareholder who holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder to increase by more than 1% in any period of six (6) months.

7. FINANCIAL IMPACT

7.1 Assumptions

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The financial effects presented in this section of this Appendix are based on the assumptions set out below:

- (a) Information as at the Latest Practicable Date

The Company had 1,169,445,976 Shares, excluding Treasury Shares.

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(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 1,169,445,976 Shares, excluding Treasury Shares, in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the 2016 AGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 116,944,597 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 116,944,597 Shares at the Maximum Price of S\$0.149 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 116,944,597 Shares is approximately S\$17.4 million (or MY\$50.2 million as translated based on the exchange rate of MY\$2.89 to S\$1.00 as at the Latest Practicable Date).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 116,944,597 Shares at the Maximum Price of S\$0.170 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 116,944,597 Shares is approximately S\$19.8 million (or MY\$57.4 million as translated based on the exchange rate of MY\$2.89 to S\$1.00 as at the Latest Practicable Date);

- (a) the buy-back will be funded by the Company solely from its internal funds and/or external borrowings;
- (b) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 1 January 2015 for the purpose of computing the financial effects on the LPS of the Group;
- (c) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 31 December 2015 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (d) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate are insignificant and are ignored for the purpose of computing the financial effects.

7.2 Pro Forma Financial Effects

For illustrative purposes only and on the basis of the assumptions set out above and assuming that the buy-back will be funded by the Company from its internal funds and external borrowings, the financial effects of:

- (i) the acquisition of 10% of the issued Shares, excluding Treasury Shares, comprising 116,944,597 Shares as at the Latest Practicable Date by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases made entirely out of capital and held as treasury shares ("**Scenario A**"); and

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- (ii) the acquisition of 10% of the issued Shares, excluding Treasury Shares, comprising 116,944,597 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases made entirely out of capital and cancelled (“**Scenario B**”),

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 (“**FY2015**”) are as follows:

Scenario A[#]

(As at 31 Dec 2015)

<i>(MY\$'000)</i>	Before Share Purchase	Group After Market Purchase	After Off- Market Purchase	Before Share Purchase	Company After Market Purchase	After Off- Market Purchase
Share Capital and Reserves	151,577	100,367	92,906	151,577	100,367	92,906
Accumulated losses	(65,912)	(65,912)	(65,912)	(40,778)	(40,778)	(40,778)
Total Shareholders' Equity	85,665	34,455	26,994	110,779	59,589	52,128
NTA	85,665	34,455	26,994	110,779	59,589	52,128
Current Assets	38,587	17,033	17,033	106,750	105,482	105,482
Current Liabilities	(14,668)	(44,324)	(51,785)	(951)	(50,893)	(58,354)
Working Capital	23,919	(27,291)	(34,752)	105,799	54,589	47,128
Total Borrowings	12,124	41,780	49,241	–	51,210	58,671
Cash and cash equivalents	21,554	–	–	1,268	–	–
Number of issued shares (excluding Treasury Shares) ⁽¹⁾	1,169,445,976	1,052,501,379	1,052,501,379	1,169,445,976	1,052,501,379	1,052,501,379
Number of Treasury Shares	23,986,957	140,931,554	140,931,554	23,986,957	140,931,554	140,931,554
Weighted average of shares	1,120,849,973	1,003,905,376	1,003,905,376	1,120,849,973	1,003,905,376	1,003,905,376
Loss for the period attributable to shareholders	18,986	18,986	18,986	2,751	2,751	2,751
Financial Ratios						
NTA per share (Singapore cents)	2.53	1.02	0.80	3.27	1.76	1.54
Gearing (times)	0.14	1.21	1.82	–	0.86	1.13
Current Ratio (times)	2.63	0.38	0.33	112.25	2.07	1.81
Basic LPS (Singapore cents)	0.56	0.58	0.58	0.08	0.08	0.08

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Scenario B

(As at 31 Dec 2015)

(MY\$'000)	Group			Company		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
Share Capital and Reserves	151,577	100,367	92,906	151,577	100,367	92,906
Accumulated losses	(65,912)	(65,912)	(65,912)	(40,778)	(40,778)	(40,778)
Total Shareholders' Equity	85,665	34,455	26,994	110,779	59,589	52,128
NTA	85,665	34,455	26,994	110,779	59,589	52,128
Current Assets	38,587	17,033	17,033	106,750	105,482	105,482
Current Liabilities	(14,668)	(44,324)	(51,785)	(951)	(50,893)	(58,354)
Working Capital	23,919	(27,291)	(34,752)	105,799	54,589	47,128
Total Borrowings	12,124	41,780	49,241	–	51,210	58,671
Cash and cash equivalents	21,554	–	–	1,268	–	–
Number of issued shares (excluding Treasury Shares) ⁽¹⁾	1,169,445,976	1,052,501,379	1,052,501,379	1,169,445,976	1,052,501,379	1,052,501,379
Number of Treasury Shares	23,986,957	23,986,957	23,986,957	23,986,957	23,986,957	23,986,957
Weighted average of shares	1,120,849,973	1,003,905,376	1,003,905,376	1,120,849,973	1,003,905,376	1,003,905,376
Loss for the period attributable to shareholders	18,986	18,986	18,986	2,751	2,751	2,751
Financial Ratios						
NTA per share (Singapore cents)	2.53	1.13	0.88	3.27	1.95	1.71
Gearing (times)	0.14	1.21	1.82	–	0.86	1.13
Current Ratio (times)	2.63	0.38	0.33	112.25	2.07	1.81
Basic LPS (Singapore cents)	0.56	0.65	0.65	0.08	0.09	0.09

Notes:

- (1) Based on the issued share capital of 1,169,445,976 ordinary shares (excluding Treasury Shares) as at the Latest Practicable Date.
- (2) NTA per Share equals to equity attributable to owners of the Company divided by the number of issued shares (excluding Treasury Shares) as at the Latest Practicable Date. Calculated based on an exchange rate of MY\$2.89 to S\$1.00 as at the Latest Practicable Date.
- (3) Gearing equals to total bank and other borrowings net of cash and cash equivalents divided by total equity.
- (4) LPS equals to loss attributable to owners of the Company divided by the weighted average number of Shares outstanding during the financial year ended 31 December 2015. Calculated based on an exchange rate of MY\$2.89 to S\$1.00 as at the Latest Practicable Date.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Company and the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Company and the Group.

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Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustrative purposes only. *In particular, it is important to note that the above illustrations are based on the audited accounts of the Group for the financial year ended 31 December 2015, and has also assumed the transfer of 14,613,043 treasury shares as consideration shares on 22 March 2016 for the purpose of the proposed acquisition announced on 11 November 2015 had taken place in the same financial year. It is not necessarily representative of the future financial performance of the Group.*

It should be noted that although the Share Buy Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

8. TAXATION

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

9. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on Catalist from an interested person, that is, a Director, the chief executive officer of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

10. CATALIST RULES

As at the Latest Practicable Date, approximately 26.07% of the issued share capital of the Company is held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital (excluding Treasury Shares) as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be reduced to approximately 17.85%.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Buy Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

The Directors will use their best efforts to ensure that the Company does not effect buy back of Shares if the buy-back of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company or adversely affect the orderly trading of the Shares.

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Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3.4 of this Appendix, conforms to this restriction.

Additionally, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules.

While the Catalist Rules does not expressly prohibit any purchase of Shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period:

- (a) commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, and
- (b) one (1) month immediately preceding the announcement of the Company’s full year financial statements.

11. SHARES BOUGHT BY THE COMPANY IN THE PREVIOUS 12 MONTHS

As at the Latest Practicable Date, the Company had, pursuant to the Share Buy Back Mandate approved by Shareholders at the 2015 EGM, purchased or acquired an aggregate of 38,600,000 Shares by way of Market Purchases. The highest and lowest price paid was S\$0.142 and S\$0.105 per Share respectively. The total consideration (including clearing charges, etc) paid was S\$4,860,155.48.

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12. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

	Before Share Buy-Back		After Share Buy-Back	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Directors				
Loo An Swee, Alex	639,909,960	54.72	639,909,960	60.80
Pang Kim Chon	178,719,080	15.28	178,719,080	16.98
Tang Eng Ann	–	–	–	–
Dato Koh Boon Thye	–	–	–	–
Denys Collin Munang	–	–	–	–
Pay Cher Wee ⁽³⁾	71,043,369	6.07	71,043,369	6.75
Tang Chang Yeow	20,559,540	1.76	20,559,540	1.95
Substantial Shareholder (other than Directors)				
Wilma Global Investments Limited ⁽⁴⁾	178,719,080	15.28	178,719,080	16.98
Chung Mun Chong	133,078,620	11.38	133,078,620	12.64

Notes:–

- (1) The percentage is calculated based on issued number of Shares of the Company of 1,169,445,976 Shares, excluding Treasury Shares, as at the Latest Practicable Date.
- (2) Assuming the Company purchases or acquires the maximum number of Shares pursuant to the proposed Share Buy Back Mandate, the percentage after the Share buy-back is calculated based on 1,052,501,379 Shares.
- (3) Pay Cher Wee is the sole shareholder of Grandale Enterprises Limited, and a director and shareholder of Accion. He is deemed interested in the Shares held by Grandale Enterprises Limited and the shares which Accion is deemed interested in. As at the Latest Practicable Date, Grandale Enterprise Limited holds 35,487,632 shares in the share capital of the Company. GPF (Delta) for and on behalf of Delta Segregated Portfolio (“**GPF (Delta)**”) and GPF (Falcon) for and on behalf of Falcon Segregated Portfolio (“**GPF (Falcon)**”) are segregated portfolios under Griffin Prive Fund SPC (“**GPF**”), a fund company established as a segregated portfolio company in the Cayman Islands. The fund manager of GPF is Accion Capital Management Pte Ltd (“**Accion**”), with full discretionary power and authority over the investments for each segregated portfolio of GPF. Accordingly, Accion is deemed interested in the shares held by GPF (Delta) and GPF (Falcon). Accion does not hold any shares in GPF (Delta) and GPF (Falcon). The directors and shareholders of Accion are Chua Thiam Joo, Pay Cher Wee and Teo Kian Huat. As at the Latest Practicable Date, GPF (Delta) holds 25,451,870 shares while GPF (Falcon) holds 7,303,367 shares in the share capital of the Company.
- (4) Wilma Global Investments Limited is an investment holding company incorporated in the British Virgin Islands. Loo An Swee, Alex and Pang Kim Chon, holds 50.4% and 49.6% of Wilma Global Investments Limited respectively and are each deemed interested in the shares held by Wilma Global Investments Limited.

As disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer under the Takeover Code in the event that the Company purchases the maximum number of Shares under the Share Buy Back Mandate.

Neither the Directors nor the Substantial Shareholders of the Company (other than in his capacity as a Director or Shareholder of the Company), as well as their respective associates, has any interest, direct or indirect in the proposed Share Buy Back Mandate.

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13. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered the terms and rationale of the proposed renewal of the Share Buy Back Mandate, are of the opinion that the Share Buy Back Mandate is in the best interest of the Company and they recommend that Shareholders vote in favour of the proposed Share Buy Back Mandate.

14. ANNUAL GENERAL MEETING

The 2016 AGM, notice of which is set out on pages 73 to 78 of the Annual Report, will be held at HortPark, 33 Hyderabad Rd, Fruit Room, Singapore 119578 on Friday, 29 April 2016 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of AGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2016 AGM and wish to appoint a proxy to attend and vote at the 2016 AGM on their behalf must complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time fixed for the 2016 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him/her from attending and voting in person at the 2016 AGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder of the Company and not entitled to attend the 2016 AGM and to speak and vote thereat unless his name appears on the Depository Register and/or the Register of Members at least forty-eight (48) hours before the 2016 AGM.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Appendix) collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

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17. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Appendix up to the date of the 2016 AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report.

Yours faithfully

For and on behalf of the Board of Directors

GCCP RESOURCES LIMITED

Loo An Swee, Alex

Executive Chairman and Chief Executive Officer