

GCCP Resources Limited
 (Company Registration No. OI-282405)
 (Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the First Quarter Period Ended 31 March 2016

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.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND 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		
	Three Months Ended		Change %
	31 March 2016 (Unaudited) MYR'000	31 March 2015 (Unaudited) MYR'000	
Revenue	3,271	94	3,380
Cost of sales	(1,206)	(58)	1,979
Gross Profit	2,065	36	5,636
Other item of income			
Interest income	182	7	2,500
Other items of expense			
General and administrative expenses	(4,467)	(11,890)	(62)
Finance costs	(409)	(41)	898
Foreign exchange loss, net	(2)	(71)	(97)
Loss before tax	(2,631)	(11,959)	(78)
Income tax expense	-	-	-
Loss for the period, representing total comprehensive loss attributable to owners of the Company	(2,631)	(11,959)	(78)

1(a)(ii) Loss before tax for the period is arrived at after charging the following:

	Group		
	Three Months Ended		
	31 March 2016 (Unaudited) MYR'000	31 March 2015 (Unaudited) MYR'000	Change %
Interest income	182	7	2,500
Finance costs	(409)	(41)	898
Loss on conversion of convertible loan	-	(9,079)	n.m
Amortisation of leasehold lands	(307)	(184)	67
Depreciation of property, plant and equipment	(464)	(302)	54
Foreign exchange loss, net	(2)	(71)	(97)
Exploration expenditure	(400)	(327)	22

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 March 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000	31 March 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	63,760	55,717	-	-
Prepayments for property, plant and equipment	19,090	9,090	-	-
Investments in subsidiaries	-	-	5,000	5,000
	<u>82,850</u>	<u>64,807</u>	<u>5,000</u>	<u>5,000</u>
Current assets				
Inventories	705	574	-	-
Trade and other receivables	18,148	15,356	109,424	105,482
Prepayments	-	-	-	-
Pledged deposits	1,109	1,102	-	-
Income tax recoverable	1	1	-	-
Cash and cash equivalents	20,784	21,554	276	1,268
	<u>40,747</u>	<u>38,587</u>	<u>109,700</u>	<u>106,750</u>
Total assets	<u>123,597</u>	<u>103,394</u>	<u>114,700</u>	<u>111,750</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	10,494	5,605	966	951
Loans and borrowings	18,955	9,064	-	-
	<u>29,449</u>	<u>14,669</u>	<u>966</u>	<u>951</u>
Net current assets	<u>11,298</u>	<u>23,918</u>	<u>108,734</u>	<u>105,799</u>
Non-current liability				
Loan and borrowings	2,882	3,060	-	-
Total liabilities	<u>32,331</u>	<u>17,729</u>	<u>966</u>	<u>951</u>
Net assets	<u>91,266</u>	<u>85,665</u>	<u>113,734</u>	<u>110,799</u>
Equity attributable to owners of the Company				
Share capital	164,588	164,588	164,588	164,588
Treasury shares	(9,086)	(13,011)	(9,086)	(13,011)
Other reserves	4,307	-	4,307	-
Accumulated losses	(68,543)	(65,912)	(46,075)	(40,778)
Total equity	<u>91,266</u>	<u>85,665</u>	<u>113,734</u>	<u>110,799</u>
Total equity and liabilities	<u>123,597</u>	<u>103,394</u>	<u>114,700</u>	<u>111,750</u>

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 March 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
18,955	-	9,064	-

Amount repayable after one year

As at 31 March 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
2,882	-	3,060	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 31 March 2016 (Unaudited)	As at 31 December 2015 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	777	857	Charges on a freehold residential land with a 2 storey bungalow held by a director of the Group.
Term loan for the purchase of office units	2,123	2,146	Charges on the leasehold quarry lands and office units, charge on pledged deposits and severally guaranteed by the directors of the Group.
Obligation under finance leases	963	1,080	Charges on the assets bought under the leases and jointly and severally guaranteed by the directors of the Group.
Bank overdrafts	17,974	8,041	Charge on the leasehold corporate office lots, the leasehold quarry lands, pledged deposits and jointly and severally guaranteed by directors of the Group.
	<u>21,837</u>	<u>12,124</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	
	Three Months Ended	
	31 March 2016	31 March 2015
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Operating activities		
Loss before income tax	(2,631)	(11,959)
<u>Adjustments for:</u>		
Amortisation of leasehold lands	307	184
Depreciation of property, plant and equipment	464	302
Exploration expenditure	400	327
Loss on conversion of convertible loan	-	9,079
Interest income	(182)	(7)
Unrealised foreign exchange (gain)/loss, net	(28)	71
Finance costs	409	41
Operating cash flows before changes in working capital changes	(1,261)	(1,962)
<u>Changes in working capital</u>		
(Increase)/decrease in trade and other receivables	(2,792)	21
Increase in prepayments	-	(5,340)
Increase/(decrease) in trade and other payables	4,889	(339)
Increase in inventories	(131)	(639)
Net changes in working capital	1,966	(6,297)
Cash flows generated from/(used in) operations	705	(8,259)
Exploration expenditure	(400)	(327)
Interest received	182	7
Interest paid	(409)	(41)
Income tax refunded	-*	1
Net cash flows generated from/(used in) operating activities	78	(8,619)
Investing activity		
Purchase of property, plant and equipment	(8,815)	(268)
Net cash flows used in investing activity	(8,815)	(268)
Financing activities		
Repayment of term loans	(105)	(116)
Repayment of obligation under finance leases	(116)	(27)
Purchase of treasury shares	(1,768)	-
Placement of pledged deposits	(7)	(7)
Net cash used in financing activities	(1,996)	(150)
Net decrease in cash and cash equivalents	(10,733)	(9,037)
Cash and cash equivalents at beginning of the period	13,513	9,457
Effect of exchange rate changes on cash and cash equivalents	30	(71)
Cash and cash equivalents at end of the period (Note A)	2,810	349

* Amount less than MYR500

Note A: Cash and cash equivalents

Group		
Three months ended		
	31 March 2016 (Unaudited) MYR'000	31 March 2015 (Unaudited) MYR'000
Cash and cash equivalents as per statement of financial position	20,784	569
Less: overdraft utilised	(17,974)	(220)
Cash and cash equivalents as per statement of cash flow	2,810	349

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

(Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 January 2016	164,588	(65,912)	(13,011)	-	85,665
Loss for the period, representing total comprehensive loss for the period	-	(2,631)	-	-	(2,631)
Treasury shares reissued pursuant to acquisition of lands	-	-	5,693	4,307	10,000
Purchase of treasury shares	-	-	(1,768)	-	(1,768)
Balance as at 31 March 2016	<u>164,588</u>	<u>(68,543)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>91,266</u>
Balance as at 1 January 2015	16,020	(46,926)	-	-	(30,906)
Loss for the period, representing total comprehensive loss for the period	-	(11,959)	-	-	(11,959)
Conversion of convertible loans	<u>78,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,207</u>
Balance as at 31 March 2015	<u>94,227</u>	<u>(58,885)</u>	<u>-</u>	<u>-</u>	<u>35,342</u>

Company

(Unaudited)	Share Capital MYR'000	Accumulated Losses MYR'000	Treasury Shares MYR'000	Other Reserves MYR'000	Total Equity MYR'000
Balance as at 1 January 2016	164,588	(40,778)	(13,011)	-	110,799
Loss for the period, representing total comprehensive loss for the period	-	(5,297)	-	-	(5,297)
Treasury shares reissued pursuant to acquisition of lands	-	-	5,693	4,307	10,000
Purchase of treasury shares	-	-	(1,768)	-	(1,768)
Balance as at 31 March 2016	<u>164,588</u>	<u>(46,075)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>113,734</u>
Balance as at 1 January 2015	16,020	(38,027)	-	-	(22,007)
Loss for the period, representing total comprehensive loss for the period	-	(9,757)	-	-	(9,757)
Conversion of convertible loans	<u>78,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,207</u>
Balance as at 31 March 2015	<u>94,227</u>	<u>(47,784)</u>	<u>-</u>	<u>-</u>	<u>46,443</u>

- 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 January 2016	1,160,032,933	151,576,636
Less: Purchase of treasury shares	(5,200,000)	(1,767,758)
Add: Treasury shares reissued pursuant to acquisition of lands	14,613,043	5,692,618
Balance as at 31 March 2016	1,169,445,976	155,501,496

As at 31 March 2016, the Company held 23,986,957 treasury shares (31 March 2015: Nil). The total number of issued shares (excluding treasury shares) of the Company was 1,169,445,976 as at 31 March 2016 and 1,071,432,933 as at 31 March 2015.

Save as disclosed above, the Company did not have any outstanding options or convertibles as at 31 March 2016 and 31 March 2015. There have been no awards or options granted pursuant to the GCCP Performance Share Plan and GCCP 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 March 2016	As at 31 December 2015
Total number of issued shares excluding treasury shares	1,169,445,976	1,160,032,933

- 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.

Statement of treasury shares

	Number of treasury shares	Amount (MYR)
Balance as at 1 January 2016	33,400,000	13,011,215
Add: Purchase of treasury shares	5,200,000	1,767,758
Less: Treasury shares reissued pursuant to acquisition of lands	(14,613,043)	(5,692,618)
Balance as at 31 March 2016	23,986,957	9,086,355

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 2016, 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 2015. 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**

Loss per share ("LPS")	Group	
	Three Months Ended	
	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
Loss attributable to owners of the Company (MYR'000)	2,631	11,959
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	1,156,952,015 ⁽¹⁾	944,676,483 ⁽²⁾
Basic and diluted LPS (MYR cents) ⁽³⁾	0.23	1.27

(1) The weighted average number of shares for the financial period ended 31 March 2016 is calculated after taking into account the effects of share buybacks on 6 January, 20 January, 21 January 2016 and the reissuance of treasury shares to the vendor for the acquisition of lands on 22 March 2016.

(2) The weighted average number of shares for the financial period ended 31 March 2015 is calculated after taking into account the effect of share split and the conversion shares arising from the convertible loan.

(3) The basic and diluted LPS are the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2016 and 31 March 2015 respectively.

7. **Net assets 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 value	Group		Company	
	31 March 2016 (Unaudited)	31 December 2015 (Audited)	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Net assets value attributable to the owners of the Company (MYR'000)	91,266	85,665	113,734	110,799
Net assets per share at the end of the period (MYR)*	0.08	0.07	0.10	0.10

* The calculation of net assets value per ordinary share was based on 1,169,445,976 shares for financial period ended 31 March 2016 and 1,160,032,933 for financial year ended 31 December 2015.

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 following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review for the performance of the Group for the three months ended 31 March 2016 ("1QFY2016") as compared to the three months ended 31 March 2015 ("1QFY2015").

Consolidated Statement of Comprehensive Income

Revenue

The revenue of MYR3.3 million in 1QFY2016 as compared to MYR0.09 million in 1QFY2015, was mainly generated from the sales of crushed stones from the Gridland Quarry. The increase was mainly due to the additional orders from the existing customers.

Cost of sales

Cost of sales was MYR1.2 million in 1QFY2016 as compared to MYR0.06 million in 1QFY2015. The increase in cost of sales was in line with the increase in revenue, resulting from the increase in production orders. As a result of the economies of scale achieved in 1QFY2016, the extent of increase in cost of sales was lower than the extent of increase in revenue.

Gross profit

Gross profit in 1QFY2016 was MYR2.1 million as compared to MYR0.04 million in 1QFY2015. The higher gross profit was mainly attributable to the higher sales in 1QFY2016 as compared to the previous corresponding period. Profit margin in 1QFY2016 was at 63% compared to only 38% in 1QFY2015 which was mainly due to the economies of scales achieved from the higher production in 1QFY2016 as compared to 1QFY2015.

Other items of income

Interest income

Interest income of MYR181,783 in 1QFY2016 and MYR7,060 in 1QFY2015 was derived from the fixed deposits placed with the bank. The increase in interest income was due to the additional fixed deposits of approximately MYR20.0 million placed as compared to only MYR1.0 million for the same period at the preceding year.

Other items of expense

The Company's items of expense consisted of general and administrative expenses, finance costs and foreign exchange loss, net.

General and administrative expenses

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

General and administrative expenses ("**G&A Expenses**") decreased by 62% to MYR4.5 million in 1QFY2016, as compared to MYR11.9 million in 1QFY2015. The lower general and administrative expenses was mainly due to the absence of the loss on conversion of convertible loan of approximately MYR9.1 million ("**Loss on Convertible Loan**") which was captured in 1QFY2015. After deducting the Loss on Convertible Loan, G&A Expenses increased approximately MYR1.7

million from the corresponding period reported. The increase was attributable to (i) the stamp duty of MYR0.9 million paid for the acquisition of lands as announced on 11 November 2015 (the “**Land Acquisitions**”), (ii) increase in the amortisation and depreciation expenses of approximately MYR0.3 million due to the addition in machinery and equipment and also the capitalised development cost of the quarry and industrial lands and (iii) the higher salaries and wages and distribution costs of approximately MYR0.5 million as a result of the increased activities of the Group in 1QFY2016.

Finance costs

Finance costs incurred were with respect to the interest charged on term loans, obligation under finance leases and bank overdrafts. The finance costs incurred in 1QFY2016 were MYR0.4 million as compared to MYR0.04 million in 1QFY2015. The increase was mainly due to the utilisation of temporary bank overdraft facilities in the current financial period for the Land Acquisitions.

Loss before income tax

Taking the above mentioned into account, the Group recorded a loss before tax of MYR2.6 million in 1QFY2016, as compared to MYR12.0 million in 1QFY2015.

Consolidated Statement of Financial Position

Non-current assets

As at 31 March 2016, non-current assets of MYR82.9 million accounted for 67% of the Group's total assets. Non-current assets comprised property, plant and equipment (“**PPE**”) and prepayments of PPE.

Non-current assets increased from MYR64.8 million to MYR82.9 million due to the addition in machinery and equipment of MYR6.7 million, capitalisation of MYR2.1 million development costs and MYR10.0 million consideration paid for Land Acquisitions, net of depreciation of MYR0.7 million.

Current assets

As at 31 March 2016, current assets of MYR40.7 million, as compared to MYR38.6 million as at 31 December 2015, was attributable to the increase in trade receivables of MYR0.5 million, increase in net goods and services tax recoverable input tax of MYR0.7 million and increase in deposits of MYR1.5 million made to various vendors 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.

Non-current liabilities

As at 31 March 2016, non-current liabilities of MYR2.9 million accounted for 9% of total liabilities. Non-current liabilities comprised loans and borrowings consisting of obligation under finance leases of MYR0.6 million and a term loan of MYR2.3 million. The reduction in non-current liabilities as compared to MYR3.1 million as at 31 December 2015 was mainly due to the repayments made during the financial period.

Current liabilities

As at 31 March 2016, current liabilities of MYR29.4 million accounted for 91% of total liabilities as compared to MYR14.7 million of current liabilities as at 31 December 2015. The increase was mainly due to the additional overdraft of MYR9.0 million utilised and additional MYR5.7 million of outstanding due to contractors and suppliers. The outstanding due to contractors was mainly for the commissioning of crusher plant at Hyper Act quarry. The payments will not be released until the crusher plant achieves the stability and the desired capacity.

Current liabilities comprised:

- a) Trade and other payables as at 31 March 2016 was MYR10.5 million which consisted of MYR9.8 million owing to service providers and suppliers and MYR0.7 million accrued for professional fees and other operating expenses.
- b) loans and borrowings of MYR19.0 million consisting of obligation under finance lease of MYR0.4 million, term loans of MYR0.6 million and bank overdrafts of MYR18.0 million. As at 31 December 2015 the loans and borrowings were MYR9.1 million. The increase in overdraft in 1QFY2016 was mainly utilised for the Land Acquisitions pending the securing of the term loan financing from a financial institution. Once obtained, the temporary overdraft of MYR16.0 million will be repaid in full.

Equity attributable to owners of the Company

The increase in equity attributable to owners of the Company as at 31 March 2016 was mainly due to the other reserves of MYR4.3 million generated as a result of the reissued of treasury shares to the vendor of approximately MYR5.7 million for the Land Acquisitions and was partially offset by the loss incurred in the current period of MYR2.6 million.

Consolidated Statement of Cash Flow

In 1QFY2016, the Group recorded net cash generated from operating activities of MYR0.1 million as compared to net cash used of MYR8.6 million in 1QFY2015.

The net cash generated from operating activities comprised operating cash outflows before changes in working capital of MYR1.3 million adjusted for net working capital inflows of MYR2.0 million, interest paid of MYR0.4 million and interest received of MYR0.2 million and exploration expenditure of MYR0.4 million. The working capital inflows were mainly due to the following:

- (a) increase in trade and other receivables of MYR2.8 million;
- (b) increase in inventories of MYR0.1 million; and
- (c) increase in trade and other payables of MYR4.9 million.

In 1QFY2016, net cash used in investing activities amounted to MYR8.8 million which arose from the acquisition of property, plant and equipment.

Net cash used in financing activities amounted to MYR2.0 million in 1QFY2016, mainly attributable to the purchase of treasury shares of approximately MYR1.8 million, and the repayment of loans and borrowings of MYR0.2 million.

As at 31 March 2016, the Group's cash and cash equivalents was MYR2.8 million after netting off MYR20.8 million cash and cash equivalents as shown in the statement of financial position against the bank overdraft of MYR18.0 million utilised.

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 outlook of the crushed calcium carbonate market, namely crushed PCC and GCC stones, remains positive in spite of uncertainties in the world economy. This is because demand for calcium carbonate is relatively inelastic due to its vast applications and usages in many industries, compared to demand for other types of raw material such as iron ore or crude oil.

Buoyed by the stable demand, the Group has gradually raised its production of crushed PCC at its Gridland Quarry, and in turn, increased the sale of crushed PCC stones to existing customers locally

and abroad. The Group is working towards increasing Gridland Quarry's production capacity to meet the demand from its customers.

The Group has commissioned its 1,000-ton-an-hour crushing plant at Hyper Act Quarry in 1QFY2016, and is in the final stages of calibrating and fine-tuning the crusher. On this note, it is looking forward to commencing its delivery of crushed GCC stones to customers in 2QFY2016.

The Group is also in the midst of completing the acquisition of the two calcium carbonate hills and an industrial land parcel, and will commence construction of a powder plant on the industrial land thereafter.

In consideration of the above, the Group is looking forward to achieving further improvement in its performance in the ensuing quarters of 2016.

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

Not applicable, as no interim dividend for the first quarter ended 31 March 2016 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 were no IPTs that exceeded S\$100,000 during the financial period under review.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$23.2 million (excluding listing expenses of approximately S\$4.9 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 is 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	11,700	3,300
Working capital ⁽¹⁾	8,232	5,000	3,232
Expenses incurred in connection with the Placement	4,828	4,828	-
Total	28,060	21,528	6,532⁽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 for the full year ended 31 December 2015. 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\$0.3 million).
- 2) Out of the total unused balance of S\$6.5 million from the IPO proceeds, an amount of MYR20 million (approximately equivalent to S\$6.5 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

15a. Rule 705 (6)(a) of the Catalyst Listing Manual

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

For the quarter ended 31 March 2016 (“1QFY2016”), funds / cash were mainly used for the following activities:-

Purpose	Projected Usage Amount (MYR)	Actual Usage Amount (MYR)
Progressive payment for the powder plant	2,000,000	-
Progressive payment for crusher plant	4,500,000	-
Development cost	3,000,000	2,100,000
Payment for Land Acquisitions	11,000,000	6,592,000
Acquisitions of machinery and equipment	-	6,725,000
Total	20,500,000	15,417,000

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 by the second quarter of this financial year.

Crusher plant at the Hyper Act Quarry site has been fully commissioned and it is currently in production for deliveries in the second quarter of 2016. However payment to the supplier was withheld until the crusher plant achieves the desired capacity and stability expected.

MYR2.1 million has been incurred to develop the Hyper Act quarry site as a result of infrastructure building and also improvement and strengthening works on the land foundation at the crusher plant. The under-utilization of MYR0.9 million from the projection was due to the diversion of road works from the actual plan which was more cost effective.

The transfer of title for the industrial land acquired from the Land Acquisitions is in progress and the payment is being disbursed progressively. Treasury shares amounted to MYR5.7 million was reissued pursuant to acquisition of lands as part of the considerations as stated in the sale and purchase agreement entered in November 2015 together with a cash payment of MYR0.9 million for the stamp duty of the Land Acquisitions. The variance of MYR4.4 million from the actual funds utilised as compared to projection was mainly attributed to the saving of approximately MYR4.3 million due to the reissued of treasury shares to the vendor at an average price of S\$0.128 per share, as compared to the agreed price of S\$0.23 per share as per the Sale and Purchase Agreement of the Land Acquisitions.

In 1QFY2016, the Group has incurred additional MYR6.7 million to acquire heavy machinery and equipment for the use in both Gridland and Hyper Act quarry sites in order to increase the level of productions.

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 April 2016 to 30 June 2016 (“2QFY2016”)), the Company’s use of funds/cash for development activities is expected to be as follows:-

Purpose	Projected Usage Amount (MYR)
Progressive payment for the powder plant	2,000,000
Progressive payment for crusher plant	3,000,000
Development cost	3,000,000
Payment for Acquisition of lands	11,300,000
Total	19,300,000

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.

15b. Rule 705 (6)(b) of the Catalist Listing Manual

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

16a. Rule 705 (7)(a) of the Catalist Listing Manual

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

Development at Hyper Act quarry is still ongoing due to the large area of the site and the Company is expecting to open more faces for extraction of limestone rocks for crushing. More access roads and clearance of overburden are carried out for the above purpose. The commissioning of the 1000tph capacity Sandvik crusher plant was completed in February 2016 and calibration of the plant took a month to complete. Production has commenced and stock piles are building up at the site for the purposes such as the resurfacing of damaged roads, back-filling of remaining pond and also for fulfilling future sale orders. The Company will commence the construction work for the powder plant upon the completion of the transfer of titles for the industrial land which is expected to be completed in the second quarter of this year This powder plant project is closely managed and coordinated by the Group’s Chief Operating Officer with a team of expert consultants and engineers under him.

A summary of the expenditure at Hyper Act quarry site incurred up to 1QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR’000)
Development of access roads and clearance of overburden	104
Total:	104

Gridland quarry site has also undergone some development to open up more faces for the extraction of the rocks for crushing.

A summary of the expenditure at Gridland quarry site incurred up to 1QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Development of access roads and clearance of overburden	296
Total:	296

16b. Rule 705 (7)(b) of the Catalist 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 8 April 2016. A copy of the IQPR can be found in the Company's Annual Report 2015.

16. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual.

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

17. Confirmation Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.

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

Loo An Swee, Alex
Executive Chairman and CEO
13 May 2016