

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the Second Quarter Period Ended 30 June 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 Joseph Au, Senior Manager, 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			Six Months Ended		
	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000	Change %	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000	Change %
Revenue	2,419	2	n.m.	5,691	96	n.m.
Cost of sales	(1,074)	(5)	n.m.	(2,281)	(63)	n.m.
Gross profit/(loss)	1,345	(3)	n.m.	3,410	33	n.m.
Other items of income						
Interest income	192	13	1,377	374	20	1,770
Rental of equipment	133	-	n.m.	133	-	n.m.
Foreign exchange gain, net	14	1,743	(99)	11	1,672	(99)
Items of expense						
General and administrative expenses	(5,534)	(8,027)	(31)	(10,000)	(19,916)	(50)
Finance costs	(512)	(93)	451	(921)	(134)	587
Loss before tax	(4,362)	(6,367)	(31)	(6,993)	(18,325)	(62)
Income tax expense	-	-	-	-	-	-
Loss for the period, representing total comprehensive loss attributable to owners of the Company	(4,362)	(6,367)	(31)	(6,993)	(18,325)	(62)

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000	Change %	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000	Change %
Interest income	192	13	1,377	374	20	1,770
Rental of equipment income	133	-	n.m.	133	-	n.m.
Finance costs	(512)	(93)	451	(921)	(134)	587
Loss on conversion of convertible loan	-	-	-	-	(9,079)	n.m.
Gain on disposal of PPE	68	-	n.m.	68	-	n.m.
Amortisation of leasehold lands	(591)	(196)	201	(900)	(380)	137
Depreciation of property, plant and equipment	(659)	(316)	109	(1,121)	(617)	82
Foreign exchange gain, net	14	1,743	(99)	11	1,672	(99)
Exploration expenditure	(560)	(138)	306	(960)	(465)	106

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	
	30 June 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000	30 June 2016 (Unaudited) MYR'000	31 December 2015 (Audited) MYR'000
ASSETS				
Non-current assets				
Property, plant and equipment	92,779	55,717	-	-
Prepayments for property, plant and equipment	-	9,090	-	-
Investments in subsidiaries	-	-	8,000	5,000
	<u>92,779</u>	<u>64,807</u>	<u>8,000</u>	<u>5,000</u>
Current assets				
Inventories	925	574	-	-
Trade and other receivables	16,211	15,356	108,864	105,482
Pledged deposits	21,324	1,102	-	-
Income tax recoverable	2	1	-	-
Cash and cash equivalents	272	21,554	3	1,268
	<u>38,734</u>	<u>38,587</u>	<u>108,867</u>	<u>106,750</u>
Total assets	<u>131,513</u>	<u>103,394</u>	<u>116,867</u>	<u>111,750</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	19,522	5,605	1,189	951
Loans and borrowings	6,421	9,064	-	-
	<u>25,943</u>	<u>14,669</u>	<u>1,189</u>	<u>951</u>
Net current assets	<u>12,791</u>	<u>23,918</u>	<u>107,678</u>	<u>105,799</u>
Non-current liability				
Loans and borrowings	18,666	3,060	-	-
Total liabilities	<u>44,609</u>	<u>17,729</u>	<u>1,189</u>	<u>951</u>
Net assets	<u>86,904</u>	<u>85,665</u>	<u>115,678</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	(72,905)	(65,912)	(44,131)	(40,778)
Total equity	<u>86,904</u>	<u>85,665</u>	<u>115,678</u>	<u>110,799</u>
Total equity and liabilities	<u>131,513</u>	<u>103,394</u>	<u>116,867</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 30 June 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
6,421	-	9,064	-

Amount repayable after one year

As at 30 June 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured MYR'000	Unsecured MYR'000	Secured MYR'000	Unsecured MYR'000
18,666	-	3,060	-

Details of any collateral

The secured loans and borrowings comprised:

	As at 30 June 2016 (Unaudited)	As at 31 December 2015 (Audited)	Secured by
	MYR'000	MYR'000	
Term loans	692	857	Charges on freehold residential land with a 2 storey bungalow held by a director of the Group.
Term loans	15,960	-	Charges on 2 plots of quarry lands and a plot of industrial land, pledged deposits, director's guarantee and corporate guarantee.
Term loan for the purchase of office units	2,097	2,146	Charges on the leasehold quarry lands and office units, charge on pledged deposits and severally guaranteed by the directors of the Group.
Obligations under finance leases	783	1,080	Charges on the assets bought under the leases and jointly and severally guaranteed by the directors of the Group.
Bank overdrafts	5,555	8,041	Charge on the leasehold quarry lands, pledged deposits and jointly and severally guaranteed by directors of the Group.
	<u>25,087</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		Six Months Ended	
	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000
Operating activities				
Loss before income tax	(4,362)	(6,367)	(6,993)	(18,325)
Adjustments for:				
Amortisation of leasehold lands	591	196	900	380
Depreciation of property, plant and equipment	659	316	1,121	617
Exploration expenditure	560	138	960	465
Loss on conversion of convertible loan	-	-	-	9,079
Gain on disposal of property, plant and equipment	(68)	-	(68)	-
Interest income	(192)	(13)	(374)	(20)
Foreign exchange gain, net	(14)	(1,743)	(11)	(1,672)
Finance costs	512	93	921	134
Operating cash flows before changes in working capital	(2,314)	(7,380)	(3,544)	(9,342)
Changes in working capital				
Decrease/(increase) in trade and other receivables	1,937	(4,823)	(855)	(4,803)
Decrease/(Increase) in prepayments	-	5,022	-	(317)
Decrease/(Increase) in trade and other payables	(2,049)	853	2,840	513
Increase in inventories	(219)	(281)	(351)	(920)
Net changes in working capital	(295)	771	1,634	(5,527)
Cash generated used in operations	(2,645)	(6,609)	(1,910)	(14,869)
Exploration expenditure	(560)	(138)	(960)	(465)
Interest received	192	13	374	20
Interest paid	(512)	(93)	(921)	(134)
Income tax refunded	-*	-*	1	-*
Net cash generated used in operating activities	(3,525)	(6,827)	(3,416)	(15,448)
Investing activity				
Purchase of property, plant and equipment	(11,411)	(13,779)	(20,226)	(14,045)
Proceed from disposal of property, plant and equipment	300	-	300	-
Net cash used in investing activities	(11,111)	(13,779)	(19,926)	(14,045)
Financing activities				
Proceed from initial public offering ("IPO") of ordinary shares	-	72,518	-	72,518
Purchase of treasury shares	-	-	(1,768)	-
Proceeds from term loan	15,960	2,300	15,960	2,300
Repayment of term loans	(110)	(117)	(216)	(195)
Proceeds from finance leases	-	238	-	238
Repayment of obligations under finance leases	(181)	(94)	(296)	(159)
Loan from director	11,077	-	11,077	-
Placement of pledged deposits	(20,217)	(13)	(20,222)	(20)
Net cash generated from financing activities	6,529	74,832	4,535	74,682
Net (decrease)/ increase in cash and cash equivalents	(8,107)	54,226	(18,807)	45,189
Cash and cash equivalents at beginning of period	2,810	349	13,513	9,457
Effect of exchange rate changes on cash and cash equivalents	14	1,743	11	1,672
Cash and cash equivalents at end of the period	(5,283)	56,318	(5,283)	56,318

* Amount less than MYR500

Note A: Cash and cash equivalents

Group		
Three months ended		
	30 June 2016 (Unaudited) MYR'000	30 June 2015 (Unaudited) MYR'000
Cash and cash equivalents as per statement of financial position	272	56,318
Less: overdraft utilised	(5,555)	-
Cash and cash equivalents as per statement of cash flow	(5,283)	56,318

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

2QFY2016 (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 April 2016	164,588	(68,543)	(13,011)	-	85,665
Loss for the period, representing total comprehensive loss for the period	-	(4,362)	-	-	(6,993)
Balance as at 30 June 2016	<u>164,588</u>	<u>(72,905)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>86,904</u>
Balance as at 1 April 2015	16,020	(46,926)	-	-	(30,906)
Loss for the period, representing total comprehensive loss for the period	-	(18,325)	-	-	(18,325)
Balance as at 30 June 2015	<u>166,745</u>	<u>(65,251)</u>	<u>-</u>	<u>-</u>	<u>101,494</u>

Company

2QFY2016 (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 April 2016	164,588	(46,075)	(9,086)	4,307	113,734
Loss for the period, representing total comprehensive loss for the period	-	(1,944)	-	-	(1,944)
Balance as at 30 June 2016	<u>164,588</u>	<u>(44,131)</u>	<u>(9,086)</u>	<u>4,307</u>	<u>115,678</u>
Balance as at 1 April 2015	94,227	(47,784)	-	-	46,443
Loss for the period, representing total comprehensive loss for the period	-	(2,820)	-	-	(2,820)
Issuance of new shares (IPO)	<u>72,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,518</u>
Balance as at 30 June 2015	<u>166,745</u>	<u>(50,604)</u>	<u>-</u>	<u>-</u>	<u>116,141</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

	<u>Number of issued shares</u>	<u>Share capital (MYR)</u>
Balance as at 31 March 2016 and 30 June 2016	1,169,445,976	155,501,496

As at 30 June 2016, the Company held 23,986,957 treasury shares (30 June 2015: Nil).

The Company did not have any outstanding convertibles as at 30 June 2016 and 30 June 2015. There have been no awards or options granted pursuant to the GCCP Performance Share Plan or 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 30 June 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.**

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial period 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 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		Six Months Ended	
	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)
Loss attributable to owners of the Company (MYR'000)	4,362	6,367	6,993	18,325
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	1,169,445,976 ⁽¹⁾	1,055,351,558 ⁽²⁾	1,156,842,116 ⁽¹⁾	1,055,351,558 ⁽²⁾
Basic and diluted loss per share (MYR cents) ⁽³⁾	0.37	0.60	0.60	1.74

Notes:

- (1) The weighted average number of shares for the three months financial period ended 30 June 2016 and six months financial period ended 30 June 2016 is calculated based on the existing number of shares in issue and after taking into account the effects of the Company's share buy backs on 6 January 2016, 20 January 2016, 21 January 2016 and the reissuance of treasury shares to the vendor pursuant to the acquisition of industrial and quarry lands on 22 March 2016 which was completed on 28 June 2016 respectively.
- (2) The weighted average number of shares for the respective financial periods ended 30 June 2015 is calculated after taking into account the effects of share split, the conversion shares arising from the convertible loan and the placement of IPO shares.
- (3) The basic and diluted LPS are the same as there were no potentially dilutive securities in issue as at 30 June 2016 and 30 June 2015 respectively.

7. **Net asset 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 asset value	Group		Company	
	30 June 2016 (Unaudited)	31 December 2015 (Audited)	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Net asset value attributable to the owners of the Company (MYR'000)	86,904	85,665	115,678	110,799
Net asset per share at the end of the period (MYR)*	0.07	0.07	0.10	0.10

* The calculation of net asset value per ordinary share was based on 1,169,445,976 shares as at 30 June 2016 and 1,160,032,933 as at 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 30 June 2016 ("2QFY2016") as compared to the three months ended 30 June 2015 ("2QFY2015").

Consolidated Statement of Comprehensive Income

Revenue

Revenue increased to MYR2.4 million in 2QFY2016 from MYR2,000 in 2QFY2015 was mainly due to increase in sale of crushed stones from the Gridland Quarry.

Cost of sales

Correspondingly, cost of sales increased to MYR1.1 million in 2QFY2016 as compared to MYR5,000 in 2QFY2015, mainly as a result of the increased blasting, extraction and crushing activities at Gridland quarry site.

Gross profit

With greater economies of scale achieved from a higher production in 2QFY2016, the Group reverted from a loss of MYR3,000 in 2QFY2015 to a gross profit of MYR1.3 million with a gross profit margin of 56%.

Other items of income

Interest income

Interest income increased to MYR0.2 million in 2QFY2016 from MYR13,000 in 2QFY2015 mainly due to the additional placement of fixed deposits of approximately MYR20.2 million in 2QFY2016 as compared to a fixed deposit of MYR1.0 million in the previous corresponding period.

Rental of equipment

Income of MYR0.1 million in 2QFY2016 was derived from the rental of site equipment to our quarry contractor. There was no rental income in 2QFY2015.

Foreign exchange gain, net

Lower foreign exchange gain of MYR14,000 in 2QFY2016 when compared to MYR1.7 million in 2QFY2015 was mainly as a result of strengthening of Malaysian Ringgit against the Singapore Dollar for funds that were converted from Malaysian Ringgit to Singapore Dollar.

Items of expense

The Group's items of expense consisted of general and administrative expenses and finance costs.

General and administrative expenses

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

General and administrative expenses (“**G&A Expenses**”) decreased by 31% to MYR5.5 million in 2QFY2016, as compared to MYR8.0 million in 2QFY2015 mainly due to:-

1. the absence of the expenses related to the Company’s listing on Catalist (the “**Listing**”) of approximately MYR6.0 million in 2QFY2016 when compared to 2QFY2015;
2. additional expenses of MYR2.4 million incurred, mainly attributable to the stamp duties, taxes, legal and professional fees paid for the acquisition of lands as announced on 11 November 2015, which was completed on 28 June 2016 (the “**Land Acquisitions**”);
3. the increase in depreciation expense of MYR0.3 million due to purchases of more equipment from 30 June 2015 to 30 June 2016;
4. the increase in amortization of leasehold land of MYR0.4 million due to the Land Acquisitions; and
5. the increase in exploration expenditure of MYR0.4 million due to the increase in activities at the Gridland and Hyper Act quarries.

Other items in G & A Expenses remained relatively unchanged at approximately MYR2.0 million in 2QFY2016 when compared to 2QFY2015.

Finance costs

Finance costs were related to interests charged on term loans, obligations under finance leases and bank overdrafts. Finance costs increased to MYR0.5 million in 2QFY2016 from MYR0.1 million in 2QFY2015, mainly due to the interest incurred from the utilisation of temporary bank overdraft facilities of MYR16.0 million in 2QFY2016 for the Land Acquisitions.

Loss before income tax

Based on the above, the Group recorded a lower loss before tax of MYR4.4 million in 2QFY2016, as compared to a loss of MYR6.4 million in 2QFY2015.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased from MYR64.8 million as at 31 December 2015 to MYR92.8 million as at 30 June 2016 due to the addition in machinery and equipment of MYR7.2 million, capitalisation of development costs of MYR2.1 million and MYR20.7 million consideration paid for the Land Acquisitions, net of depreciation of MYR2.0 million.

Current assets

As at 30 June 2016, current assets remained relatively unchanged at MYR38.7 million as compared to MYR38.6 million as at 31 December 2015.

Current assets comprised:

- a) Inventories of MYR0.9 million as at 30 June 2016 as compared to MYR0.6 million as at 31 December 2015. The increase was due to the deferment of delivery to the export customer due to the low frequencies of barge ship services, which had since been delivered as of the date of this announcement.
- b) Trade and other receivables of MYR16.2 million as at 30 June 2016 as compared to MYR15.4 million as at 31 December 2015. The increase was mainly due to the payment of a MYR1.2 million deposit for the commission of powder grinding equipment ordered.
- c) Pledged deposits have increased to MYR21.3 million as at 30 June 2016 from MYR1.1 million as at 31 December 2015 due to the recent pledging of fixed deposits of MYR20.2 million for the securement of banking facilities.
- d) Cash and cash equivalents reduced to MYR0.3 million as at 30 June 2016 from MYR21.6 million as at 31 December 2015 mainly due to the pledging of fixed deposits of MYR20.2 million for the securement of banking facilities.

Non-current liability

As at 30 June 2016, non-current liability stood at MYR18.7 million. Non-current liability consisted of obligations under finance leases of MYR0.5 million and term loans of MYR18.2 million. The increase in non-current liability to MYR18.7 million as compared to MYR3.1 million as at 31 December 2015 was mainly due to the new term loans being drawn down in 2QFY2016 for the Land Acquisitions.

Current liabilities

As at 30 June 2016, current liabilities stood at MYR25.9 million as compared to MYR14.7 million as at 31 December 2015. The increase was mainly due to the MYR11.1 million interest-free loan from a director.

Current liabilities comprised:

- a) Trade and other payables of MYR19.5 million as at 30 June 2016 as compared to MYR5.6 million as at 31 December 2015. Out of the MYR19.5 million, trade payables amounted to MYR7.8 million which were mainly owing to contractors, service providers and suppliers. Other payables amounted to MYR11.7 million which comprised a MYR11.1 million interest-free loan due to a director and MYR0.6 million accrued for professional fees and other operating expenses.
- b) Loans and borrowings decreased to MYR6.4 million from MYR9.1 million as at 31 December 2015 was mainly due to the partial repayment of overdraft in 2QFY2016 from loan proceeds from a director.

Consolidated Statement of Cash Flow

In 2QFY2016, the Group recorded net cash used in operating activities of MYR3.5 million as compared to net cash used of MYR6.8 million in 2QFY2015.

The net cash used in operating activities comprised operating cash outflows before changes in working capital of MYR2.3 million adjusted for net working capital outflows of MYR0.3 million, interest paid of MYR0.5 million, interest received of MYR0.2 million and exploration expenditure of MYR0.6 million.

The change in working capital was mainly due to the following:

- (a) decrease in trade and other receivables of MYR1.9 million. The decrease was mainly due to the lower revenue recorded in 2QFY2016 vis-à-vis the first quarter in 2016 and timely collections from the customers;
- (b) increase in inventories of MYR0.2 million; and
- (c) decrease in trade and other payables of MYR2.0 million due to increased payments to suppliers.

In 2QFY2016, net cash used in investing activities amounted to MYR11.1 million which arose from the acquisition of property, plant and equipment, offset by the proceeds of MYR0.3 million received from the disposal of property, plant and equipment.

Net cash generated from financing activities amounted to MYR6.5 million in 2QFY2016, mainly attributable to the drawdown of the term loans amounting to MYR16.0 million and the MYR11.1 million interest-free loan from a director, offset by the pledging of fixed deposits of MYR20.2 million to a financial institution for the securement banking facilities.

As at 30 June 2016, the Group's cash and cash equivalents was a deficit of MYR5.3 million after netting off MYR0.3 million cash and cash equivalents as shown in the statement of financial position against the bank overdraft of MYR5.6 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 Group completed the acquisition of the two calcium carbonate hills and an industrial land parcel in June 2016. Following the completion of acquisition, the Group has commissioned an independent qualified party to reassess its aggregate resources and reserves, and will provide the updated qualified person's report as soon as practicable. Preparatory work for the construction of the powder plant is underway, with construction expected to commence in third quarter ended 30 September 2016 ("3QFY2016") and be completed by the end of 2017.

Demand for Gridland Quarry's PCC stones remains strong. The Group is in the midst of renewing a contract with an existing customer, and has secured new contracts that will contribute to the Group's revenue in the ensuing quarters.

The crushing plant at the Group's Hyper Act Quarry has been fine-tuned and was ready for operation as of late 2QFY2016. Unfortunately, operations were delayed due to a breakdown of excavating equipment operated by a third-party quarry contractor. The Group has since purchased the necessary equipment and leased these to the contractor. The commencement of operations at Hyper Act Quarry is thus expected to contribute positively to the Group with effect from 3QFY2016.

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 second quarter ended 30 June 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.

The director's loan of MYR11.1 million is interest free with no fixed repayment terms and no interest consideration was/will be paid by the Company and hence, there is no value at risk to the Group.

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).

The Company has reallocated an aggregate of S\$6.5 million (approximately equivalent to MYR\$20.2 million) of the IPO net proceeds from the Listing initially allocated for the purpose of both the development of Hyper Act Quarry of S\$3.3 million and working capital of S\$3.2 million to the pledging of fixed deposits with a financial institution for the securement of banking facilities (“**Pledged Deposit**”) (the “**Reallocation**”). The banking facilities are secured for the purpose of Land Acquisitions and the construction of the powder plant and will provide further update as and when the Pledged Deposit is lifted.

Subsequent to the Reallocation and as at the date of this announcement, the IPO net proceeds have been fully utilised. The status of the net proceeds utilised is as follows:

<u>Use of IPO Net Proceeds</u>	<u>Amount allocated</u>	<u>Amount of net proceeds allocated after the Reallocation</u>	<u>Amount Utilised</u>	<u>Balance</u>
	<u>(S\$'000)</u>	<u>(S\$'000)</u>	<u>(S\$'000)</u>	<u>(S\$'000)</u>
Development of the Hyper Act Quarry ⁽¹⁾	15,000	11,700	11,700	-
Working capital ⁽²⁾	8,232	5,000	5,000	-
Expenses incurred in connection with the IPO	4,828	4,828	4,828	-
Pledged Deposit	-	6,532	6,532	-
Total	28,060	28,060	28,060	-

Notes:

- 1) *IPO proceeds for development of the Hyper Act Quarry consisted of the part payment for the commission of a crusher plant which cost approximately S\$4.0 million, land filling and infrastructure development cost of S\$7.3 million and acquisition of equipment and machinery of S\$0.4 million.*
- 2) *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. A total of S\$2 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).

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

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

For the quarter ended 30 June 2016 (“2QFY2016”), 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	3,000,000	1,000,000
Development cost	3,000,000	680,000
Payment for Land Acquisitions	11,300,000	11,300,000
Total	19,300,000	12,980,000

Variance Explanation:

Payment for the construction of the powder plant project was halted since last financial year due to the Land Acquisitions which were just completed as the building of the powder plant will only commence after the demolition of the existing factory building on the industrial land by the previous owner. The demolition work is expected to take up to two months and thereafter the earth work and piling work for the new powder plant will commence.

For the purpose of prudent financial planning, the Group has come to an agreement with the contractor of the crusher plant at the Hyper Act Quarry site to repay the balance due which are separated into a few instalments upon achieving the desired capacity and stability of the crusher.

Out of the MYR3.0 million development cost projected, Hyper Act and Gridland quarry sites have incurred MYR420,000 and MYR140,000 respectively for exploration activities for the purpose of geophysical surveys. Only an amount of MYR120,000 was incurred at Hyper Act quarry for development activities as a result of delay by the major contractor due to the breakdown of their machinery and equipment. The contractor has rectified the matter with the replacement of new equipment and machinery. The remaining amount will be paid progressively according to the level of work done in the next quarter.

The transfer of land titles for the industrial and quarry lands pursuant to the Land Acquisitions have been completed and all payment due to the vendor has been fully settled at the end 2QFY2016.

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 July 2016 to 30 September 2016 (“3QFY2016”)), 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	4,000,000 ⁽¹⁾
Progressive payment for crusher plant	1,000,000
Development cost	1,000,000
Total	6,000,000

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.

Note:

(1) The projected amount is for the progress deposits required by the suppliers and new deposit for the planned construction works.

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;

Road construction works into the intended area to extract the limestone rock at Hyper Act site has entered into the final stage. When the road work is expected to complete in the next quarter, the feed of quality rocks to the crushing plant will be consistent to beef up the production of the crushed limestone. Stock piles are building up until a planned level is achieved, the Company will start to accept orders and delivery will commence. The Company is expected to commence the construction work for the powder plant since the transfer of titles for the industrial and quarry lands have just been completed at the end of the current quarter. Preliminary earth work and piling work for the factory building is expected to start next quarter after the demolition of the existing factory by the previous owner is completed.

A summary of the expenditure at Hyper Act quarry site incurred up to 2QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Development of access roads and clearance of overburden	140
Exploration expenditure	420
Total:	540

Gridland quarry has undergone some exploration activities which involved drilling and extraction of samples in the current quarter under review.

A summary of the expenditure at Gridland quarry site incurred up to 2QFY2016 for the aforementioned activities are as follows:-

	Amount (MYR'000)
Exploration expenditure	140
Total:	140

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. Following the completion of the Land Acquisitions the Company will provide an updated independent qualified person's report as soon as practicable.

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 the attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the second quarter ended 30 June 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
11 August 2016