

GCCP Resources Limited

(Company Registration No. OI-282405)

(Incorporated in the Cayman Islands on 1 November 2013)

Unaudited Results for the Financial Year Ended 31 December 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, Associate 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 | | |
|--|--|--|-------------|
| | Financial Year Ended | | |
| | 31 December 2016 (Unaudited) MYR'000 | 31 December 2015 (Audited) MYR'000 | Change % |
| Revenue | 12,196 | 3,033 | 302 |
| Cost of sales | (5,547) | (2,268) | 145 |
| Gross profit | 6,649 | 765 | 769 |
| Other items of income | | | |
| Interest income | 800 | 354 | 126 |
| Gain on disposal of property, plant and equipment, net | 233 | - | n.m. |
| Rental of equipment | 468 | - | n.m. |
| Foreign exchange gain, net | 163 | 4,295 | (96) |
| Items of expense | | | |
| General and administrative expenses | (13,658) | (23,245) | (41) |
| Selling and distribution expenses | (2,846) | (732) | 289 |
| Finance costs | (1,916) | (423) | 353 |
| Loss before tax | (10,107) | (18,986) | (47) |
| Income tax expense | (192) | - | n.m. |
| Loss for the year, representing total comprehensive loss for the year attributable to owners of the Company | (10,299) | (18,986) | (46) |

n.m. – not meaningful

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

| | Group | | |
|--|---|---|---------------------|
| | Financial Year Ended | | |
| | 31 December 2016 (Unaudited) MYR'000 | 31 December 2015 (Audited) MYR'000 | Change % |
| Interest income | 800 | 354 | 126 |
| Rental of equipment income | 468 | - | n.m. |
| IPO expenses | - | (5,448) | n.m. |
| Finance costs | (1,916) | (423) | 353 |
| Loss on conversion of convertible loan | - | (9,078) | n.m. |
| Gain on disposal of property, plant and equipment, net | 233 | - | n.m. |
| Amortisation of leasehold lands | (2,175) | (881) | 147 |
| Depreciation of property, plant and equipment | (2,475) | (1,285) | 93 |
| Foreign exchange gain, net | 163 | 4,295 | (96) |
| Exploration expenditure | (2,734) | (979) | (179) |

n.m. – not meaningful

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

| | Group | | Company | |
|---|---|---|---|---|
| | 31 December 2016 (Unaudited) MYR'000 | 31 December 2015 (Audited) MYR'000 | 31 December 2016 (Unaudited) MYR'000 | 31 December 2015 (Audited) MYR'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 96,696 | 55,717 | - | - |
| Prepayments for property, plant and equipment | - | 9,090 | - | - |
| Investments in subsidiaries | - | - | 3,500 | 5,000 |
| | <u>96,696</u> | <u>64,807</u> | <u>3,500</u> | <u>5,000</u> |
| Current assets | | | | |
| Inventories | 1,026 | 574 | - | - |
| Trade and other receivables | 14,234 | 15,356 | 112,361 | 105,482 |
| Pledged deposits | 21,336 | 1,102 | - | - |
| Income tax recoverable | 2 | 1 | - | - |
| Cash and short-term deposits | 20 | 21,554 | 3 | 1,268 |
| | <u>36,618</u> | <u>38,587</u> | <u>112,364</u> | <u>106,750</u> |
| Total assets | <u>133,314</u> | <u>103,394</u> | <u>115,864</u> | <u>111,750</u> |
| EQUITY AND LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 7,684 | 5,605 | 2,894 | 951 |
| Income tax payable | 192 | - | - | - |
| Loans and borrowings | 10,153 | 9,064 | - | - |
| | <u>18,029</u> | <u>14,669</u> | <u>2,894</u> | <u>951</u> |
| Net current assets | <u>18,589</u> | <u>23,918</u> | <u>109,470</u> | <u>105,799</u> |
| Non-current liabilities | | | | |
| Amount due to director | 5,627 | - | - | - |
| Loans and borrowings | 26,060 | 3,060 | - | - |
| | <u>31,687</u> | <u>3,060</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>49,716</u> | <u>17,729</u> | <u>2,894</u> | <u>951</u> |
| Net assets | <u>83,598</u> | <u>85,665</u> | <u>112,970</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 | (76,211) | (65,912) | (46,839) | (40,778) |
| Total equity | <u>83,598</u> | <u>85,665</u> | <u>112,970</u> | <u>110,799</u> |
| Total equity and liabilities | <u>133,314</u> | <u>103,394</u> | <u>115,864</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 December 2016 (Unaudited) | | As at 31 December 2015 (Audited) | |
|---|----------------------|---|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 10,153 | - | 9,064 | - |

Amount repayable after one year

| As at 31 December 2016 (Unaudited) | | As at 31 December 2015 (Audited) | |
|---|----------------------|---|----------------------|
| Secured MYR'000 | Unsecured MYR'000 | Secured MYR'000 | Unsecured MYR'000 |
| 26,060 | - | 3,060 | - |

Details of any collateral

The secured loans and borrowings comprised:

| | As at 31 December 2016 (Unaudited) | As at 31 December 2015 (Audited) | Secured by |
|--|---|---|--|
| | MYR'000 | MYR'000 | |
| Term loans | 517 | 857 | Charges on freehold residential land with a 2 storey bungalow owned by an executive director of the Group. |
| Term loans | 25,371 | - | Charges on 2 plots of leasehold quarry lands, a crusher plant, two units of excavators, pledged deposits, an executive director's guarantee and corporate guarantee. |
| Term loans | 2,000 | - | Charges on a plot of industrial land, an executive director's guarantee and corporate guarantee. |
| Term loan for the purchase of office units | 1,917 | 2,146 | Charges on the leasehold quarry lands and office units, charge on pledged deposits and severally guaranteed by the executive directors of the Group. |
| Obligations under finance leases | 1,764 | 1,081 | Charges on the assets bought under the leases and jointly and severally guaranteed by the executive directors of the Group. |
| Bank overdrafts | 4,644 | 8,040 | Charge on the leasehold quarry lands, pledged deposits and jointly and severally guaranteed by executive directors of the Group. |
| | <u>36,213</u> | <u>12,124</u> | |

There is also an amount due to director of MYR5.6 million which is interest free with no fixed repayment term and no interest/consideration was/will be paid by the Company.

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

| | Group | |
|---|--|--|
| | Financial Year Ended | |
| | 31 December 2016 (Unaudited) MYR'000 | 31 December 2015 (Audited) MYR'000 |
| Operating activities | | |
| Loss before income tax | (10,107) | (18,986) |
| <u>Adjustments for:</u> | | |
| Amortisation of leasehold lands | 2,175 | 881 |
| Depreciation of property, plant and equipment | 2,475 | 1,285 |
| Write-off of property, plant and equipment | 3 | 5 |
| Exploration expenditure | 2,734 | 979 |
| Loss on conversion of convertible loan | - | 9,078 |
| (Gain)/loss on disposal of property, plant and equipment | (233) | 7 |
| Interest income | (800) | (354) |
| Foreign exchange gain, net | (181) | (2,031) |
| Finance costs | 1,916 | 423 |
| Operating cash flows before changes in working capital | (2,018) | (8,713) |
| <u>Changes in working capital</u> | | |
| Decrease/(increase) in trade and other receivables | 1,302 | (14,582) |
| Decrease in prepayments | - | 899 |
| (Increase)/decrease in inventories | (452) | 322 |
| Increase/(decrease) in trade and other payables | 2,079 | (1,166) |
| Net changes in working capital | 2,929 | (14,527) |
| Cash generated from/(used in) operations | 911 | (23,240) |
| Exploration expenditure | (2,734) | (979) |
| Interest received | 800 | 354 |
| Income tax refunded | - | 1 |
| Net cash used in operating activities | (1,023) | (23,864) |
| Investing activities | | |
| Purchase of property, plant and equipment (Note A) | (894) | (24,305) |
| Proceeds from disposal of property, plant and equipment | 727 | 1 |
| Prepayments for acquisition of property, plant and equipment | - | (5,090) |
| Net cash used in investing activities | (167) | (29,394) |
| Financing activities | | |
| Proceeds from initial public offering ("IPO") of ordinary shares | - | 75,501 |
| Adjustment of proceeds from IPO for IPO expenses and foreign exchange | - | (5,140) |
| Purchase of treasury shares | (1,768) | (13,011) |
| Proceeds from term loan | 2,573 | - |
| Repayment of term loans | (530) | (473) |
| Repayment of obligations under finance leases | (700) | (384) |
| Loan from a director | 5,627 | - |
| Placement of pledged deposits | (20,234) | (33) |
| Interest paid | (1,916) | (423) |
| Net cash (used in)/generated from financing activities | (16,948) | 56,037 |
| Net (decrease)/increase in cash and cash equivalents | (18,138) | 2,779 |
| Cash and cash equivalents at beginning of year | 13,514 | 9,457 |
| Effect of exchange rate changes on cash and cash equivalents | - | 1,278 |
| Cash and cash equivalents at end of the year (Note B) | (4,624) | 13,514 |

Note A: Purchases of property, plant and equipment

| Group | | |
|---|-------------------------|-------------------------|
| Financial Year Ended | | |
| | 31 December 2016 | 31 December 2015 |
| | (Unaudited) | (Audited) |
| | MYR'000 | MYR'000 |
| Additions to property, plant and equipment | 46,126 | 27,986 |
| Less: Prepayments made in prior years | (9,090) | (1,044) |
| Less: Purchase with term loan | (24,759) | (2,300) |
| Less: Purchase with treasury shares | (10,000) | - |
| Less: Purchase under hire purchase | (1,383) | (337) |
| Net cash outflow for purchases of property, plant and equipment | 894 | 24,305 |

Note B: Cash and cash equivalents

| Group | | |
|---|-------------------------|-------------------------|
| Financial Year Ended | | |
| | 31 December 2016 | 31 December 2015 |
| | (Unaudited) | (Audited) |
| | MYR'000 | MYR'000 |
| Cash and short-term deposits as per statement of financial position | 20 | 21,554 |
| Bank overdraft | (4,644) | (8,040) |
| Cash and cash equivalents as per statement of cash flow | (4,624) | 13,514 |

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

| FY2016 (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 |
| Treasury shares reissued pursuant to acquisition of lands | - | - | 5,693 | 4,307 | 10,000 |
| Purchase of treasury shares | - | - | (1,768) | - | (1,768) |
| Loss for the year, representing total comprehensive loss for the year | - | (10,299) | - | - | (10,299) |
| Balance as at 31 December 2016 | <u>164,588</u> | <u>(76,211)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>83,598</u> |
| Balance as at 1 January 2015 | 16,020 | (46,926) | - | - | (30,906) |
| Conversion of convertible loans | 78,207 | - | - | - | 78,207 |
| Issuance of new ordinary shares (IPO) | 75,501 | - | - | - | 75,501 |
| Purchase of treasury shares | - | - | (13,011) | - | (13,011) |
| Loss for the year, representing total comprehensive loss for the year | - | (18,986) | - | - | (18,986) |
| Share issuance expense | <u>(5,140)</u> | - | - | - | <u>(5,140)</u> |
| Balance as at 31 December 2015 | <u>164,588</u> | <u>(65,912)</u> | <u>(13,011)</u> | <u>-</u> | <u>85,665</u> |

Company**FY2016 (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 |
| Treasury shares reissued pursuant to acquisition of lands | - | - | 5,693 | 4,307 | 10,000 |
| Purchase of treasury shares | - | - | (1,768) | - | (1,768) |
| Loss for the year, representing total comprehensive loss for the year | - | (6,061) | - | - | (6,061) |
| Balance as at 31 December 2016 | <u>164,588</u> | <u>(46,839)</u> | <u>(9,086)</u> | <u>4,307</u> | <u>112,970</u> |
| Balance as at 1 January 2015 | 16,020 | (38,027) | - | - | (22,007) |
| Conversion of convertible loans | 78,207 | - | - | - | 78,207 |
| Issuance of new shares (IPO) | 75,501 | - | - | - | 75,501 |
| Purchase of treasury shares | - | - | (13,011) | - | (13,011) |
| Loss for the year, representing total comprehensive loss for the year | - | (2,751) | - | - | (2,751) |
| Share issuance expense | (5,140) | - | - | - | (5,140) |
| Balance as at 31 December 2015 | <u>164,588</u> | <u>(40,778)</u> | <u>(13,011)</u> | <u>-</u> | <u>110,799</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.

| | Number of issued shares | Share capital (MYR) |
|--|----------------------------|---------------------|
| Balance as at 30 September 2016 and 31 December 2016 | 1,169,445,976 | 155,501,496 |

As at 31 December 2016, the Company held 23,986,957 treasury shares (31 December 2015: 33,400,000).

The Company did not have any outstanding convertibles as at 31 December 2016 and 31 December 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 31 December 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.

| <u>Statement of treasury shares</u> | 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 transferred pursuant to acquisition of lands | (14,613,043) | (5,692,618) |
| Balance as at 31 December 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 International Financial Reporting Standards ("IFRSs") and amendments to IFRSs 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 IFRSs and amendments to IFRSs 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**

| Earnings/ Loss per share ("EPS")/("LPS") | Group | |
|--|---------------------------------|-------------------------------|
| | Financial Year Ended | |
| | 31 December 2016 (Unaudited) | 31 December 2015 (Audited) |
| Loss attributable to owners of the Company (MYR'000) | 10,299 | 18,986 |
| Weighted average number of ordinary shares used in the computation of basic and diluted loss per share | 1,163,178,483 ⁽¹⁾ | 1,120,849,973 ⁽²⁾ |
| Basic and diluted LPS (MYR cents) ⁽³⁾ | 0.89 | 1.69 |

Notes:

- (1) *The weighted average number of shares for the financial Year ended 31 December 2016 is calculated after taking into account the effects of Company share buy backs on 6 January 2016, 20 January 2016, 21 January 2016 and the transfer 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 (the "Land Acquisitions").*
- (2) *The weighted average number of shares for the financial year ended 31 December 2015 are 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 31 December 2016 and 31 December 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 | |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | 31 December 2016 (Unaudited) | 31 December 2015 (Audited) | 31 December 2016 (Unaudited) | 31 December 2015 (Audited) |
| Net asset value attributable to the owners of the Company (MYR'000) | 83,598 | 85,665 | 112,970 | 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 31 December 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 full financial year ended 31 December 2016 ("FY2016") as compared to the full financial year ended 31 December 2015 ("FY2015").

Consolidated Statement of Comprehensive Income

Revenue

The Group reported an increase in revenue to MYR12.2 million in FY2016 compared to MYR3.0 million in FY2015, on the back of an improved sales of crushed stones from the Gridland Quarry.

Cost of sales

In line with the increased revenue, cost of sales rose to MYR5.5 million in FY2016 as compared to MYR2.3 million in FY2015, mainly as a result of the increased blasting, extraction and crushing activities at Gridland Quarry.

Gross profit

Consequently, gross profit in FY2016 increased to MYR6.6 million (gross profit margin: 55%), from MYR0.8 million in FY2015 (gross profit margin: 25%). The higher gross profit margin was mainly due to greater economies of scale in line with the higher production.

Other items of income

Interest income

Interest income in FY2016 was MYR0.8 million as compared to MYR0.4 million in FY2015, mainly due to the additional placement of fixed deposits of approximately MYR20.2 million since middle of FY2015.

Gain on disposal of property, plant and equipment, net

The non-recurring gain was mainly attributable to the disposal of the Group's motor vehicles in FY2016.

Rental of equipment

Income of MYR0.5 million in FY2016 was derived from the rental of site equipment to the quarry contractor commencing since March 2016. There was no such rental income in FY2015.

Foreign exchange gain, net

A smaller foreign exchange gain of MYR0.2 million was recorded in FY2016, as compared to a foreign exchange gain of MYR4.3 million recorded in FY2015 due to lesser funds converted from Singapore Dollar to Malaysian Ringgit in FY2016.

Items of expense

The Group's items of expense consist of general and administrative expenses, selling and distribution 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 lands and depreciation of machineries.

General and administrative expenses ("**G&A Expenses**") recorded a decrease of MYR9.5 million to MYR13.7 million in FY2016, as compared to MYR23.2 million in FY2015 mainly due to:-

1. IPO expenses of MYR5.4 million previously accounted in the general and administrative expenses in FY2015 but not incurred in FY2016;
2. Loss on conversion of convertible loan of MYR9.1 million previously accounted in the general and administrative expenses in FY2015 but not incurred in FY2016;
3. MYR1.2 million increase in depreciation to MYR2.5 million in FY2016 compared to MYR1.3 million in FY2015, due to the acquisition of additional machinery and equipment during the financial year;
4. MYR1.3 million increase in amortization of leasehold land to MYR2.2 million in FY2016 from MYR0.9 million in FY2015 due to the Land Acquisitions;
5. Export sales commission of MYR0.3 million paid in FY2016 compared to only MYR23,000 in FY2015 in tandem with higher export sales in FY2016;
6. MYR0.6 million increase in salary and wages million to MYR1.9 million in FY2016, from MYR1.3 million in FY2015 due to the hiring of more workers for the increasing activities at Hyper Act Quarry;
7. MYR1.6 million increase in professional fees as a result of the Land Acquisitions; and

Other items in G & A Expenses remained relatively unchanged as at FY2016 as compared to FY2015.

Exploration expenditure

Exploration expenditure of MYR2.7 million was incurred in FY2016 as compared to MYR1.0 million in FY2015. The increase was due to more exploration activities being carried out during FY2016 as compared to FY2015.

Selling and distribution expenses

Selling and distribution expenses comprised transportation cost and other freight related charges incurred for the shipments delivered to the customers. Selling and distribution expenses increased from MYR0.7 million in FY2015 to MYR2.8 million in FY2016 as a result from the increase in deliveries of crushed limestones to customers.

Finance costs

Finance costs incurred comprised mainly interest charged on term loans, obligations under finance leases and bank overdrafts. Finance costs increased to MYR1.9 million in FY2016 from MYR0.4 million in FY2015, mainly due to the interest incurred from the utilisation of term loans, finance leases and bank overdraft facilities totalling to approximately MYR36.2 million in FY2016 as compared to MYR12.1 million in FY2015.

Loss before income tax

Based on the above, the Group recorded a loss before tax of MYR10.1 million in FY2016, as compared to a loss of MYR19.0 million in FY2015.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased from MYR64.8 million as at 31 December 2015 to MYR96.7 million as at 31 December 2016 mainly due to additions of MYR46.1 million as a result of the Land Acquisitions and the commissioned of the crusher plant at Hyper Act Quarry, partially offset by the disposal of MYR0.5 million, depreciation of MYR4.7 million and utilisation of the prepayment for property, plant and equipment of MYR9.1 million during the financial year.

Current assets

As at 31 December 2016, current assets amounted to MYR36.6 million as compared to MYR38.6 million as at 31 December 2015.

Current assets comprised:

- a) Inventories of MYR1.0 million as at 31 December 2016, as compared to MYR0.6 million as at 31 December 2015. The increase was due to the higher volume of crushed stones produced by Gridland Quarry to meet the increase in orders from one export customer.
- b) Trade and other receivables of MYR14.2 million as at 31 December 2016, as compared to MYR15.4 million as at 31 December 2015. The decrease was mainly due to utilisation of deposits amounting to MYR1.2 million for work completed at Hyper Act Quarry during the year.
- c) Pledged deposits increased to MYR21.3 million as at 31 December 2016, from MYR1.1 million as at 31 December 2015 due to the pledge of fixed deposits of MYR20.2 million for the securement of banking facilities for the Land Acquisitions.
- d) Cash and short-term deposits declined to MYR20,000 as at 31 December 2016 from MYR21.6 million as at 31 December 2015 mainly due to the pledging of fixed deposits of MYR21.2 million for the securement of banking facilities.

Non-current liabilities

As at 31 December 2016, non-current liabilities consisted of obligations under finance leases of MYR1.3 million, amount due to director of MYR5.6 million and term loans of MYR24.8 million. The increase in non-current liabilities as compared to MYR3.1 million as at 31 December 2015 was mainly due to the new term loans being drawn down for the Land Acquisitions and interest-free advances from a director in FY2016.

Current liabilities

As at 31 December 2016, current liabilities stood at MYR18.0 million, as compared to MYR14.7 million as at 31 December 2015. The increase was mainly due to MYR2.1 million increase in trade and other payables and MYR1.1 million increase in short term loans and borrowings. The increase in MYR2.1 million was mainly due to the increase in the services from contractors for the blasting and extraction of limestones whilst the increase in loans and borrowings was mainly due to the drawdown of term loans for the Land Acquisitions and additional financing for the plant and machinery for Hyper Act Quarry.

The Group had a positive working capital of MYR18.6 million as at 31 December 2016 as compared to MYR23.9 million as at 31 December 2015.

Consolidated Statement of Cash Flow

In FY2016, net cash used in operating activities amounted to MYR1.0 million as compared to net cash used of MYR23.8 million in FY2015.

The net cash used in operating activities comprised operating cash used before changes in working capital of MYR2.0 million adjusted for net working capital inflows of MYR2.9 million, interest received of MYR0.8 million and exploration expenditure of MYR2.7 million.

The changes in working capital were mainly due to the following:

- (a) decrease in trade and other receivables of MYR1.3 million. The decrease was mainly due to utilisation of deposits to contractors for work done in FY2016;
- (b) MYR0.5 million increase in inventories from the increase in productions; and
- (c) MYR2.1 million increase in trade and other payables due to increased services and suppliers procured from the suppliers and other creditors in relation to the increase in orders and deliveries.

In FY2016, net cash used in investing activities amounted to MYR0.2 million mainly due to acquisition of property, plant and equipment of MYR0.9 million, partially offset by proceeds from the disposal of property, plant and equipment of MYR0.7 million.

Net cash used in financing activities amounted to MYR16.9 million in FY2016, mainly attributable to the drawdown of term loans amounting to MYR2.6 million and advances from a director of MYR5.6 million, offset by the placement of pledged deposits amounting to MYR20.2 million, purchase of MYR1.8 million worth of treasury shares and the repayment of term loans and finance leases of MYR1.2 million and interest paid of MYR1.9 million.

As at 31 December 2016, the Group's cash and cash equivalents was a deficit of MYR4.6 million including bank overdraft of MYR4.6 million.

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

Overall the financial results are in line with the Group's discussion presented under Section 10 of the Company's unaudited financial results announcement for the third quarter ended 30 September 2016, dated 11 November 2016 ("**Previous Announcement**"). Subsequent to the Previous Announcement, Hyper Act Quarry has commenced production of limestones notwithstanding a delay caused by a change in the mining plans.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has been focusing on the development and implementing the most effective and efficient approach towards maximising its productivity at its Hyper Act Quarry, taking into account the two newly acquired calcium carbonate hills. While the implementation of this approach caused a deviation from the target income generation timeline, it has allowed the Group to put in place comprehensive infrastructure for the key aspects of its operations to maximise operational and cost efficiencies. During this period, the Group has also analysed and determined the faces of the hills most appropriate for the extraction of rocks in a productive and efficient manner. All the necessary steps have since been implemented and as at date of this announcement, the Group has begun the crushing and production of ground calcium carbonate ("**GCC**") rocks at Hyper Act Quarry.

The Group has also successfully secured a contract from an existing customer for precipitated calcium carbonate ("**PCC**") stones from Gridland Quarry, and expects a steady flow of income from the deliveries of these limestones till the end of year 2017.

The Group expects increasing demand from existing customers and expand new market segments to build up its market share for both local and export sales. The Group has since extended the operating hours at Gridland Quarry in order to increase its output and productivity.

In consideration of the above, the Group is looking forward to achieving improvement in its performance in the ensuing quarters of 2017.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend for the full financial year ended 31 December 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 year under review.

The director's loan of MYR5.6 million is interest free with no fixed repayment term and no interest consideration was/will be paid by the Company and hence, there is no value at risk to the Group.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

(a) Revenue segment information

Revenue was derived entirely from the sales of PCC stones, a single operating segment, from Gridland Quarry in FY2015 and FY2016.

As at 31 December 2016, the Group has yet to commence production of GCC limestone.

(b) Geographical segment information

| Revenue | FY2016 MYR'000 | FY2015 MYR'000 |
|----------------|---------------------------|---------------------------|
| Malaysia | 1,891 | 1,226 |
| Indonesia | 10,305 | 1,807 |
| Total | 12,196 | 3,033 |

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

Please refer to paragraph 8.

In addition, the main factor leading to the performance of the Group which affect the contributions to the turnover and earnings is the stability of the crushing plant at Hyper Act and Gridland Quarries. The downtime will affect the productivity and this is remedied with extended working hours and also garnering the strong support of maintenance services from the suppliers and contractors. Only with the high level of production, Hyper Act and Gridland Quarries are able to fulfill the incoming orders which the Group expects to receive. The other significant factor which will affect the contributions to the turnover and earnings is the standard of quality of the limestone extracted which can meet the requirements of the customers. These natural resources can vary in the color and content of minerals which are the key criteria for the customers to consider when placing orders.

16. A breakdown of sales

| | <u>Group</u> | | |
|--|----------------|----------------|----------------------------------|
| | <u>FY2016</u> | <u>FY2015</u> | <u>Increase / (Decrease)</u> |
| | <u>MYR'000</u> | <u>MYR'000</u> | <u>%</u> |
| Sales reported for first half year | 5,691 | 96 | 5,828 |
| Loss after tax before deducting minority interests reported for first half year | 6,993 | 18,325 | (62) |
| Sales reported for second half year | 6,505 | 2,937 | 121 |
| Loss after tax before deducting minority interests reported for second half year | 3,306 | 661 | 400 |

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

Not applicable. No dividend had been declared for FY2016 and FY2015.

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

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|-------------------------|-----|---|---|---|
| Loo Wei Hong ("Loo WH") | 24 | Son of our CEO, Alex Loo | Assistant Project Manager – Operations Department Loo WH was assigned to supervise the commissioning of the crusher plant at Hyper Act site and also coordinate with the contractors and consultants at the planning stage of the building of powder plant at GCCP Global site. Position was first held: 1 July 2015. | Not Applicable |

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

19a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For the quarter ended 31 December 2016 ("4QFY2016"), 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 | 1,000,000 | - |
| Development cost | 1,000,000 | 1,343,000 |
| Total | 4,000,000 | 1,343,000 |

Variance Explanation:

Payment for the powder plant project in the calcium carbonate quarry acquired under the Land Acquisitions was further deferred pending the commencement of production and sales from Hyper Act Quarry in accordance to the operational and financial planning of Company.

The construction of the powder plant will continue when Hyper Act Quarry starts to generate cashflow from sales to assist in the funding of the project.

The Group has arrived to an agreement with the contractor of the crusher plant at the Hyper Act Quarry site, to pay the balance due upon achieving the prescribed capacity and stability of the crusher. Since Hyper Act Quarry has not achieved the standard level of productivity, the prescribed capacity of the crusher plant cannot be determined, as a result the balance of payment is expected to be put on hold until the second quarter of year 2017. As at the date of this announcement, a balance of MYR2 million for the crusher plant remains outstanding.

A total of MYR1.3 million was incurred instead of the projection of MYR1.0 million due to the extensive exploration activities at Hyper Act Quarry to discover good quality limestones. Gridland Quarry has incurred MYR0.6 million for development. Hyper Act Quarry has incurred MYR0.1 million for development activities and MYR0.6 million for exploration activities.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions: -

For the next immediate quarter (financial period from 1 January 2017 to 31 March 2017 (“1QFY2017”)), the Company’s use of funds/cash for development activities is expected to be as follows: -

| Purpose | Projected Usage Amount (MYR) |
|---------------------------------------|-------------------------------------|
| Progressive payment for crusher plant | 1,000,000 |
| Development cost | 1,000,000 |
| Total | 2,000,000 |

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.

19b. 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.

20a. 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;

Infrastructure and access roads into the quarry area of Hyper Act sites reported as near to completion last quarter had been successfully completed. Samples at both Hyper Act and Gridland Quarries are collected on a regular basis for testing to ensure consistency of quality product supply to the customers. The Group will continue in the exploration and development activities to identify other potentials of the quarries, increase the productivity and ensure the continuity of quality. As reported in the previous quarter, the Company has yet to finalize the design and planning of the powder plant project and only expects to commence the construction work for the powder plant once they are finalized and upon Hyper Act Quarry starts to generate cash flow to assist in funding the latter project.

A summary of the expenditure at Hyper Act Quarry incurred in FY2016 for the aforementioned activities are as follows:-

| | Amount (MYR'000) |
|---|-----------------------------|
| Development of access roads and clearance of overburden | 1,445 |
| Exploration expenditure | 991 |
| Total: | 2,436 |

Gridland Quarry has incurred MYR1.7 million for 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 in FY2016 for the aforementioned activities are as follows:-

| | Amount (MYR'000) |
|---|-----------------------------|
| Development of access roads and clearance of overburden | 296 |
| Exploration expenditure | 1,743 |
| Total: | 2,039 |

20b. 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 and supplemental IQPR dated 17 August 2016 in relation to the increase of mineral resources pursuant to the Land Acquisitions.

A copy of the IQPR and supplemental IQPR can be found in the Company's Annual Report 2015 and announcement dated 19 August 2016 respectively.

21. Confirmation pursuant to Rule 720(1) of the Catalist 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.

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

Loo An Swee, Alex
Executive Chairman and CEO
28 February 2017