



GCCP RESOURCES LIMITED

GATHERING THE **BEST RESOURCES**



ANNUAL
REPORT
2015

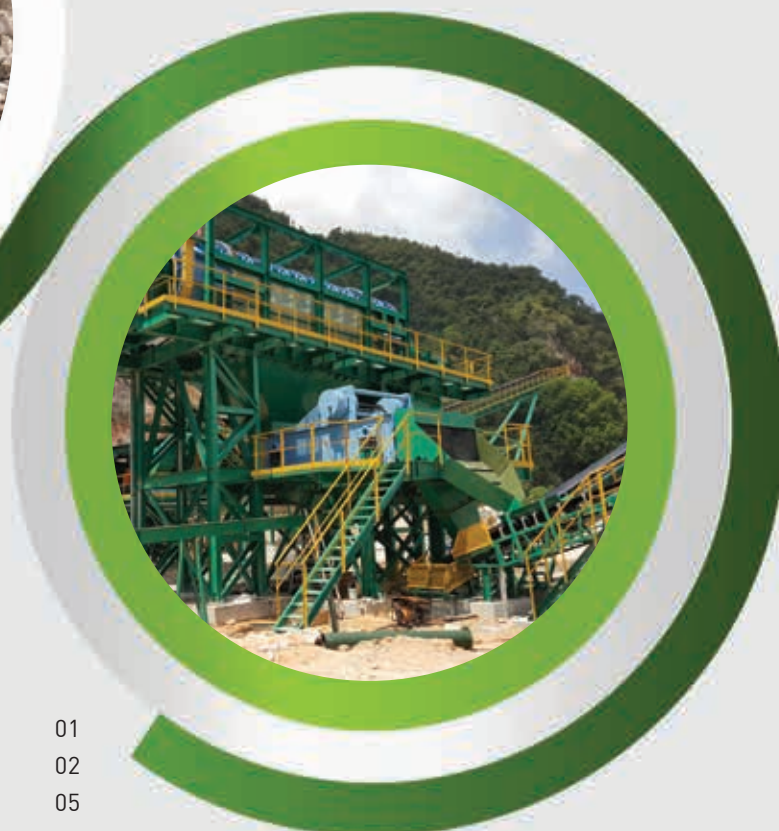


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GCCP Resources Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 30 April 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This Annual Report 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 Annual Report. The Sponsor has also not drawn on any specific technical expertise in its review of this Annual Report.

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

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone [65] 6229 8088.



OUR VISION

We strive to be a world class integrated high-grade calcium carbonate producer and owner of one of the largest deposits in Asia, offering a sustainable supply of high quality, consistent and innovative products to meet Malaysia's domestic and international market demand.

OUR MISSION

We are committed to exceed the needs and expectations of our customers through the delivery of innovative products and the relentless pursuit of best-in-class mining and manufacturing capabilities.

We are also committed to create a safe and rewarding working environment for our dedicated team; fulfil our social responsibility to the community and environment by observing and surpassing relevant domestic and international standards; and to generate long term value for our shareholders.

CORPORATE PROFILE

GCCP Resources Limited ("GCCP" and, together with its subsidiaries, the "Group") is primarily engaged in the quarrying and processing of calcium carbonate. The Group owns one of the biggest calcium carbonate reserves of ground calcium carbonate grade ("GCC grade") in Malaysia. The Group's quarries, namely GCCP Gridland Quarry and Hyper Act Quarry, are located in Ipoh, in the state of Perak. Collectively, the quarries hold about 186 million tons of precipitated calcium carbonate ("PCC") and GCC-grade calcium carbonate resources and approximately 26 million tons of PCC and GCC-grade calcium carbonate reserves. GCCP Gridland Quarry is currently producing at 45,000 tons per month, while the Group recently commissioned a 1,000-ton-per hour crushing plant at Hyper Act Quarry. Both quarries also have Environmental Impact Assessment (EIA) approval, and comply with Environmental Management Plan and other regulations. GCCP was listed on the Catalist of the Singapore Exchange Securities Trading Limited on 30 April 2015.

CHAIRMAN'S MESSAGE



Dear Shareholders,

GCCP Resources has come far since our Initial Public Offer ("IPO") in April 2015. In the past year, we have made solid progress in terms of building and expanding our operations and strengthening our order book. I am pleased to update our valued shareholders on the significant corporate developments for the financial year ended 31 December 2015 ("FY15") as follows:

Performance Review

We recorded a 429% increase in revenue to RM3.03 million from our maiden revenue of RM0.57 million in the preceding year ("FY14"). The improvement was due to an increase in the sale of crushed precipitated calcium carbonate ("PCC") stones from the GCCP Gridland Quarry, with local and overseas sales contributing 40% and 60% respectively to Group revenue. In line with the increase in extraction and production activity, cost of sales rose 532% to RM2.27 million. This yielded a 258% increase in gross profit to RM0.77 million, from RM0.2 million in FY14. Gross profit margin was 25% in FY15, compared to 37% in FY14.

The Group's general and administrative expenses declined to RM23.24 million in FY15 compared to RM38.45 million in the preceding year. This was mainly due to the decrease in fair value loss of derivative financial instruments. The reduction in expenses was partially offset by higher depreciation, staff-related expenses, IPO expenses, machinery rental and utility costs.

We recorded a net foreign exchange gain of RM4.29 million compared to a loss of RM0.93 million in FY14,

as we progressively converted our funds from our Singapore Dollar bank account to our Malaysia Ringgit bank account. Finance costs decreased to RM0.42 million in FY15 compared to RM4.78 million in the previous year. This was mainly due to the decrease in interest expense incurred from the convertible loans recorded in FY14.

Taking these factors into account, net loss attributable to shareholders narrowed significantly to RM18.99 million in FY15 versus RM43.04 million in FY14.

Operations Review

We have made exciting progress in the areas of business development and expansion. We have increased our monthly production of crushed PCC stones at our Gridland Quarry in the face of growing customer demand. Our current output of crushed PCC stones has been fully allocated to customers, but is still insufficient to meet rising customer demand. In view of this, we are working towards further increasing our production capacity in 2016.

In addition, the crushing plant at our Hyper Act Quarry has been commissioned and has commenced production. This crushing plant is capable of producing up to 1,000 tons of crushed ground calcium carbonate ("GCC") stones per hour. The operation of the Hyper Act Quarry complements that of our Gridland Quarry as it enables us to enjoy greater economies of scale, have a wider product range and cater to a larger customer base.

We have increased our monthly production of crushed PCC stones at our Gridland Quarry in the face of growing customer demand. In addition, the crushing plant at our Hyper Act Quarry has been commissioned and has commenced production.



We are taking steps to expand our calcium carbonate resource with the proposed acquisition of two calcium carbonate hills from Sri Sarana Enterprise Sdn Bhd for a total of RM27.50 million. The ownership of these hills will increase our existing GCC supply and reinforce our position as the owner of one of Malaysia's biggest GCC-grade limestone reserves and resources. The hills, with a combined area of 8.09 hectares, are in close proximity to our existing Gridland Quarry and adjacent to our Hyper Act Quarry in Ipoh, making our resources well-consolidated in terms of location. The hills are in the process of being acquired via a payment of RM17.5 million in cash and RM10 million worth of GCCP shares that are priced at S\$0.23 per share.

We will also further expand our operations at the Hyper Act Quarry with the proposed acquisition of a 23,100 square-metre industrial land parcel located in the vicinity, where we are planning to build a workshop, site office and electrical substation for the quarry. The land parcel, together with its existing features, will be acquired from Pulau Rock Sdn Bhd for a cash payment of RM2.8 million under a sale and purchase agreement.

The proposed acquisitions of the two hills and industrial land parcel are still pending completion as at the date of this annual report. We expect to complete the proposed acquisitions by the second quarter of 2016.

During our Extraordinary General Meeting held in September 2015, we obtained a share-buyback mandate from our shareholders to purchase or acquire fully-paid ordinary shares by way of on-market or off-market

purchases. We would like to thank our shareholders for the approval of this mandate. As at the end of FY15, we have acquired 33,400,000 shares, being held as treasury shares, representing 2.8% of the total outstanding shares issued.

As announced in June 2015, GCCP Resources Limited, together with our wholly-owned subsidiaries GCCP Gridland Sdn Bhd and Hyper Act Marketing Sdn Bhd, filed a writ of summons against Loh Kok Hu. We filed the writ of summons in response to invoices issued by Mr Loh and defamatory allegations made by Mr Loh in these invoices. The case is pending court hearing and we will provide updates as and when appropriate.

I am also pleased to update that the writ of summons filed by Ujiteknik Geoenviro Sdn Bhd and counter claim filed by our subsidiary GCCP Gridland Sdn Bhd in 2015 were withdrawn in the same year. Following this withdrawal, there will not be any further legal proceedings between the two parties.

Outlook and Business Strategy

We are set to expand our business operations in the coming year, underpinned by growing demand for our PCC and GCC stones. We are therefore working with our mining contractors to increase production capacity. This includes ordering new trucks and equipment, calibrating crushing equipment to increase output, and boosting our manpower. With the Hyper Act crushing plant in operation, the sale of crushed GCC stones from this facility should add a new revenue stream to that currently generated by our Gridland facility.

CHAIRMAN'S MESSAGE

As we enhance our production capabilities, we are taking proactive marketing measures to build a robust level of orders for our crushed calcium carbonate. The potential demand for crushed PCC and GCC stones is positive and encouraging. Our high-quality crushed PCC stones have received favourable responses from both local and overseas customers, and this has led to new orders for the Group. Several prospective customers have also expressed interest regarding orders for crushed GCC stones produced at the Hyper Act Quarry, and we are hopeful that this interest will translate into new orders in the current financial year.

The Group is also excited to be looking at opportunities beyond our shores. In 2015, we forged client partnerships in Indonesia to supply crushed PCC stones. We have our eyes set on other countries in Asia as well and hope to increase our overseas revenue stream with an increased export reach.

We have commenced preliminary work for the development of our Hyper Act powder plant and are looking forward to commencing construction of the said plant on the new land parcel in the second quarter of 2016. The powder plant is slated for completion by early 2017, and will set us on track to grow our business further.

Acknowledgements

The Group is committed to building a resilient business and it is crucial that we have a driven and strong team to achieve this goal. On this note, I would like to express

my appreciation to GCCP's team of employees and management for their dedication and good work over the year.

It is with deep gratitude that I acknowledge the counsel of my fellow Board members. Their advice has been invaluable to the Group's progress as we continue to venture forth in our business expansion.

It is also with great pleasure that I welcome to our Board, Mr Teng Chang Yeow as Independent Director, and Mr Pay Cher Wee as Non-Executive and Non-Independent Director. Both Mr Teng and Mr Pay were appointed in March 2016 and will serve as members of the Audit, Nominating and Remuneration Committees. I am confident that their expertise and insight will be a great asset to the Group.

In closing, I would like to extend my sincere thanks to our business partners and shareholders for their valued support. The Group remains dedicated to strengthening our business and building shareholder value, and we hope to share the fruits of our labour in the future.

Alex Loo

Executive Chairman & CEO

BOARD OF DIRECTORS

LOO AN SWEE ("ALEX LOO")

Executive Chairman and CEO

Alex Loo, 48, founded the Group in 2009 through the incorporation of Gridland Sdn Bhd. He is responsible for the Group's overall management and strategy development, customer and supplier relationship management, and general operations. He also plays an instrumental role in the Group's expansion and sourcing for investment opportunities to promote business growth. He was appointed a Director on 2 December 2013.

Prior to GCCP, Mr Loo founded and served as CEO of Vantage Wood Sdn Bhd and Vantage Resources Sdn Bhd, dealing with timber supply and coal trading respectively. Mr Loo started his career as a marketing executive with Renaware Marketing Sdn Bhd and subsequently as a marketing executive with Dragonway Furniture and Fitting Sdn Bhd after obtaining the Malaysian Certificate of Education (Sijil Pelajaran Malaysia) in 1985.

TAN ENG ANN

Lead Independent Director

Tan Eng Ann, 48, was appointed to the Board as Lead Independent Director on 30 September 2014 and serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He possesses over 18 years of experience in the financial field. Mr Tan is currently the Chief Financial Officer of R H International Pte Ltd, and just before that, Executive Director and Chief Financial Officer of Chiwayland International Limited (formerly known as R H Energy Ltd), which he joined in 2007.

Prior to R H Energy, Mr Tan was CFO of Beijing Concept Holdings Pte Ltd and before that, Finance Director of Technics Oil and Gas Limited. He also held managerial positions in Standard Chartered Bank, AIB Govett (Asia) Ltd, and Yamaichi Merchant Bank where he first started his career.

Mr Tan is a qualified Chartered Financial Analyst of the Association for Investment Management and Research and a fellow member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy (Honours) from Nanyang Technological University.

PANG KIM CHON

Executive Director and COO

Pang Kim Chon, 52, joined the Group in 2013, and oversees the overall operations of the Group, including sales, marketing and daily operations. He was appointed a Director on 2 December 2013.

Mr Pang possesses more than 20 years of management and operational experience. Before joining GCCP, Mr Pang was Executive Director of Vantage Resources Sdn Bhd. Prior to that, Mr Pang spent 10 years with Rimyasa Development Sdn Bhd, starting out as an administration manager in 1988 and climbing through the ranks to become its Managing Director before he moved on to Vantage Resources.

Mr Pang holds a Bachelor of Management (Honours) degree from Universiti Sains Malaysia.

DATO THOMAS KOH BOON THYE

Independent Director

Dato Thomas Koh, 58, was appointed on 30 September 2014 and serves as Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees. Dato Thomas Koh possesses a wealth of experience in the legal industry and is currently a Senior Partner in law firm Messrs Isharidah Ho Chong & Menon having joined the firm since 1993.

Prior to this, he was a Partner at Messrs KH Koh, Azhar & Koh where he headed the conveyancing department, and before that Partner in the litigation department of Messrs Yusoff Shamsuddin & Partners. Dato Thomas Koh commenced his legal practice at Messrs Rashid & Lee after graduating with a Bachelor of Laws (Hons) from the University of London in 1982.

Dato Thomas Koh was admitted as a Barrister to the Bar of England and Wales in 1983 and as an Advocate and Solicitor of the High Court of Malaya in 1984. In addition, he was awarded the Darjah Dato' Paduka Tuanku Ja'afar (DPTJ) in 2008.

BOARD OF DIRECTORS

DENYS COLLIN MUNANG

Independent Director

Denys Collin Munang, 48, was appointed to the Board on 30 September 2014 and possesses extensive management experience in the calcium carbonate production industry. He serves as Chairman of the Nominating Committee and sits on the Remuneration and Audit Committees. Mr Munang is currently the Group Chief Executive Officer and Deputy Managing Director of Pontian United Plantations Berhad.

Prior to his involvement in the plantation industry, Mr Munang held various senior positions in the Omya AG group of companies covering the Group's Malaysia, West Asia and Asia Pacific markets during the course of his employment.

Before joining Pontian United Plantations, Mr Munang was Vice President of Felda Global Venture Holdings Bhd where he was Head of Strategy, Business and Corporate for Global Plantation. He also served on the Board of the Australian Agricultural Corporation from 2012 to 2014.

Mr Munang holds a Bachelor's degree in Economics from the University of Sydney.

TENG CHANG YEOW

Independent Director

Teng Chang Yeow, 52, was appointed to the Board on 1 March 2016 and is a member of the Audit, Nominating and Remuneration Committees. He currently holds the directorships of WYNS Consulting Services Sdn Bhd, Telewyn (M) Sdn Bhd and Malmar Resources Pte Ltd.

Mr Teng has vast experience in governmental affairs and human relationship-conflict management. He was tasked to revive five major abandoned commercial and housing projects in Penang following the 1997 financial crisis. Prior to this, he served as a Penang State Minister and Legislator, and was involved in tourism development and environmental policy formulation and implementation. He was responsible for the final phase of the listing of George Town as a UNESCO World Heritage Site.

Mr Teng has a Bachelor of Arts (Honours) degree in History and Management from Universiti Sains Malaysia.

PAY CHER WEE

Non-Executive, Non-Independent Director

Pay Cher Wee, 46, was appointed to the Board on 1 March 2016 and is a member of the Audit, Nominating and Remuneration Committees.

Mr Pay possesses more than 20 years of experience in the audit, manufacturing, supply chain management, healthcare and private equity investment sectors. He is currently the Co-Founding Partner of Accion Capital Management Pte Ltd, a registered fund management company, which was set up in 2009.

Prior to Accion, Mr Pay was Executive Vice President of GKG Investment Holdings Pte Ltd, and was responsible for its private and public investments in China, Indonesia, Malaysia, Singapore and Vietnam. He was formerly the CFO of Raffles Medical Group Ltd and Venture Corporation Ltd, both listed on the Singapore Exchange. He began his career as an auditor at Deloitte & Touche. Mr Pay currently sits on the boards of several private companies in Singapore and China.

Mr Pay holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University. He was a Council Member and Honorary Treasurer of the Singapore Cancer Society from 2009 to 2015.

EXECUTIVE OFFICERS

IAN LIM

Chief Financial Officer

Ian Lim, 43, joined the Group as Chief Financial Officer in February 2014 and is responsible for overseeing the financial and accounting management and reporting.

Mr Lim possesses more than 20 years of experience in audit and accounting in various industries including food and beverage, trading and manufacturing. He commenced his career in C.T. Lim & Co in 1993 as an audit assistant and was subsequently promoted to its audit senior, where he was responsible for assisting the firm in providing auditing service and other value-added services such as accounting, tax and secretarial services. He moved on to work for several companies and take up various finance positions. Prior to joining the Group, he was a Country Financial Controller at shipping services company, Globelink Container Line (M) Sdn Bhd.

Mr Lim obtained the Sijil Tinggi Pelajaran Malaysia (STPM) in 1992 and is a Chartered Certified Accountant under the Association of Chartered Certified Accountants. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

LOH HENG KWAI

Director of Operations (Gridland)

Loh Heng Kwai, 54, is the Group's Director of Operations (Gridland). He joined the Group in October 2011 and is responsible for designing and planning quarrying operations in GCCP Gridland Quarry. He also oversees quarry operations including worker supervision and safety and regulatory requirement compliance.

Mr Loh has more than 30 years of work experience. He has strong expertise in the cement industry, with experience as an assistant senior executive at Lafarge Malayan Cement Sdn Bhd, where he was responsible for the day-to-day operations of the cement plant such as monitoring the production process and supervising of the workers, and as a supply chain manager at Tasek Corporation Bhd, where he was responsible for cement production and the meeting of production targets.

Mr Loh holds a Bachelor of Arts degree from Ottawa University in Kansas, USA.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Tan Eng Ann (Chairman)
Dato Thomas Koh Boon Thye
Denys Collin Munang
Teng Chang Yeow
Pay Cher Wee

NOMINATING COMMITTEE

Denys Collin Munang (Chairman)
Tan Eng Ann
Dato Thomas Koh Boon Thye
Teng Chang Yeow
Pay Cher Wee

REMUNERATION COMMITTEE

Dato Thomas Koh Boon Thye (Chairman)
Tan Eng Ann
Denys Collin Munang
Teng Chang Yeow
Pay Cher Wee

COMPANY SECRETARY

Leong Chee Meng, Kenneth

REGISTERED OFFICE

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

BUSINESS OFFICE

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47810 Petaling Jaya, Selangor, Malaysia
Tel: +603 7610 0823
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SHARE REGISTRAR

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Singapore 048623

CONTINUING SPONSOR

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#10-00 Income at Raffles
Singapore 049318

INDEPENDENT AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge: Adrian Koh
(Date of appointment: since the financial year ended 31 December 2014)
Chartered Accountant;
a member of the Institute of Singapore Chartered Accountants

PRINCIPAL BANKER

United Overseas Bank (Malaysia) Bhd
Commercial Banking Division
Level 9 Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

OPERATIONS REVIEW



GCCP is an exempted company incorporated in the Cayman Islands on 1 November 2013. Our Group is principally engaged in the business of quarrying and the processing of limestone by crushing the quarried limestone into varying particle sizes as required by our customers. Our business operations are principally located in Simpang Pulai, Ipoh, Perak, Malaysia.

Our Quarries

Our Group wholly owns Gridland Quarry and Hyper Act Quarry through our subsidiaries, GCCP Gridland Sdn Bhd and Hyper Act Marketing Sdn Bhd, respectively. The quarries are located 3.3km apart in the industrialised area of Ipoh, in Perak, Malaysia.

Gridland Quarry has a site area of approximately 25 acres, with a mining elevation of between 50m and 240m. It holds mainly PCC reserves and resources that are extracted and crushed into stones at our on-site crushing plant. The stones are produced in the three sizes that enjoy the highest demand in the market, namely up to 30mm, 30-50mm and 50-100mm. The plant at Gridland Quarry is also capable of producing crushed calcium carbonate in other sizes on an ad-hoc basis according to customers' needs. As at 31 December 2015, Gridland Quarry is estimated to hold 1.4Mt of measured resources and 24Mt of indicated resources, along with an estimated 4.2Mt of probable ore reserves.

GCCP Gridland Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG. PRK.(Q) BIL. 17/2016/11/(BK) Tonnes Grade (millions)		Net Attributable to Issuer Tonnes Grade (millions)		Change from previous Update (%)	Remarks
Reserves							
Proved	Limestone	Insufficient studies to determine					
Probable	Limestone	4.2	98.2%	4.2	98.2%	-3.8%	Production
Total		4.2	98.2%	4.2	98.2%		
Resources*							
Measured	Limestone	1.4	98%	1.4	98%	N/A	Actual reduction not appeared due to rounding
Indicated	Limestone	24	98%	24	98%	N/A	
Inferred	Limestone	20	98%	20	98%	N/A	
Total		43	98%	43	98%		

Note: Total may appear to be inconsistent due to appropriate rounding

* Mineral Resources are inclusive of Ore Reserves

[^] This limestone resource and reserve statement of GLD Mine is compiled by Mr Sergio Matteoli and is accurate as at 31 December, 2015. Mr Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Hyper Act Quarry has a site area of 60 acres, with a mining elevation of between 100m and 400m. It holds mainly GCC reserves and resources that are extracted and crushed into stones at its newly commissioned on-site crushing plant. As at 31 December 2015, Hyper Act Quarry is estimated to hold 47Mt of measured resources and 120Mt of indicated resources, and 2.2Mt and 19.7Mt of proved and probable ore reserves respectively.

Hyper Act Marketing Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG. PRK.(Q) BIL. 63/2015/15/(BK)		Net Attributable to Issuer		Change from previous update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserves							
Proved	Limestone	2.2	96.1	2.2	96.1	N/A	
Probable	Limestone	19.7	96.1	19.7	96.1	N/A	
Total		22.0	96.1	22.0	96.1	N/A	
Resources*							
Measured	Limestone	47	96	47	96	N/A	
Indicated	Limestone	120	96	120	96	N/A	
Inferred	Limestone	10	96	10	96	N/A	
Total		180	96	180	96	N/A	

Note: Total may appear to be inconsistent due to appropriate rounding

* Mineral Resources are inclusive of Ore Reserves

[^] This limestone resource and reserve statement of HAM Mine is compiled by Mr Sergio Matteoli and is accurate as at 31 December, 2015. Mr Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Operational Updates

Gridland Quarry is currently producing 45,000 tons of crushed PCC stones per month. The quality of our PCC stones has gained the approval and favour of both local and overseas customers from various industries including paper, plastics and rubber. All the PCC stones in production have been fully allocated to customers and

OPERATIONS REVIEW

Group is currently working to raise the plant's production capacity to 60,000 tons per month to meet the demand. Such effort to increase the plant's capacity includes working closely with our mining contractors to increase production of raw materials, extending operating hours, acquiring additional machinery and trucks, as well as fine-tuning the crusher to increase overall throughput.

The Group has commissioned its new crushing plant at Hyper Act Quarry on 29 January 2016. At 1,000 tons GCC stones per hour, the new crushing plant has the largest crushing capacity in Ipoh, Perak. Hyper Act Quarry's GCC stones have received significant interest from a number of prospective customers, and we are reasonably confident of converting these prospects into actual customers.

Our proposed acquisition of a 23,100-sqm industrial land parcel, along with the fixtures erected on it will provide strategic synergy through its close proximity to Hyper Act Quarry. We are in the final stages of preparation for the construction of a powder plant on this land parcel. Construction of the powder plant has been scheduled to commence in the second quarter of 2016. When completed by early 2017, the powder plant will have a production capacity of approximately 20,000 tons of fine calcium carbonate powder per month.

We are also finalising the acquisition of two calcium carbonate hills, occupying a combined area of 8.1ha, for an aggregate consideration of RM27.5 million. Rich in GCC-grade deposits, the proposed acquisition of these two hills will reinforce our position as the holder of one of the biggest GCC-grade reserves and resources in Malaysia. We have commissioned an independent geologist to provide a qualified person's report of the reserves and resources at these two hills, and will provide an update once the report is completed.

Operating Licences and Approvals

Gridland Quarry and Hyper Act Quarry have successfully renewed their respective Quarrying Approval Letter, known as Surat Kelulusan Pengkuarian (SKP) in Malaysia. It is required for all quarry operations and is subject to

an annual renewal. As part of the renewal process, the Company is required to submit the latest Environment Impact Assessment ("EIA"), including an environment management plan, as well as a quarry scheme report, to the Mineral and Geoscience Department of Perak for review.

The Quarrying Approval Letter for Gridland Quarry, reference number **JMG.PRK(Q) BIL.17/2016/11/(BK)**, will expire on 31 December 2016. The Quarry Approval Letter for Hyper Act Quarry, reference number **JMG.PRK(Q) 63/2015/15/(BK)**, will expire on 30 June 2016.

Environment Impact Assessment and Monitoring

Our Environment Impact Assessment report for Gridland Quarry and Hyper Act Quarry, which includes the Group's Environmental Management Plan ("EMP") and the Erosion and Sediment Control Plan ("ESCP"), has been reviewed and approved by the Director-General of the Department of Environment ("DOE"). The approval confirms the Group's compliance with environmental regulations.

Our EMP has been improved and updated based on the recommendations from the DOE on the EIA. The latest recommendations include additional mitigation and monitoring measures. Three major environmental risks highlighted by the DOE that are associated with the quarrying business are as follows:

- (1) Water Quality – Failure in ensuring the proper handling of chemicals used at the quarry site may cause water pollution.
- (2) Noise and Vibration Levels – Blasting can cause noise and vibration, which will affect neighbouring residences and communities.
- (3) Air Quality – Emission of dust from drilling area and crushing plants may cause air pollution.

We are required to submit a monitoring report of the three major risks on a quarterly basis. We are also required to engage a third-party auditor registered with the DOE to conduct an audit of the Group's implementation of the EMP and ESCP annually.



OPERATIONS REVIEW



Safety, Health and Environment Policy

The Group has set up a Safety, Health and Environment ("SHE") Committee to ensure its policies comply with all relevant legislations, regulations and requirements. Through the SHE Committee, we endeavour to achieve the highest standards safety, health and environment management in accordance with regulations and best practices.

The SHE Committee implements the relevant guidelines and standard operating procedures within the Group. It also carries out hazard identification, risk assessment and risk control in order to provide a safe workplace for our employees. The policies and guidelines are reviewed and updated by the Committee from time to time to protect the health and safety of our workers and maintain the good working condition of our machinery and equipment.

The SHE committee is also responsible for implementing the Group's environmental policy, as well as ensuring compliance with environment regulations, with the objective of minimising adverse environmental and social impact as quarrying activities progress.

Quality Assurance

We believe that our ability to consistently supply high-quality products to our customers is the key to building a good reputation and gaining market share. In line with this, we have established a rigorous quality management process as follows:

- (1) Industrial rotary washing machines are installed in both Gridland and Hyper Act crushing plants to remove mud and other substances that may affect the quality of our calcium carbonate.

- (2) The quality of our crushed calcium carbonate from our stockpiles is analysed at random on a monthly basis by third-party laboratories.
- (3) Quality Control Inspectors are engaged to conduct on-site inspections and ensure any crushed calcium carbonate that do not meet the standards of colour and brightness are removed from our stockpiles.
- (4) Customer satisfaction surveys on our products are conducted frequently.

Corporate Social Responsibility

At GCCP, we make every effort to engage with the local population and relevant stakeholders in connection with our operations and the impact on them. We are committed to developing our quarries in a manner that minimises disruptions to the environment of the community. We are also committed to supporting them in the social and economic development of the area.

We have provided the local community with employment opportunities, as well as training and skill development for our staff. We believe that our success depends on the effort and dedication of our employees and make sure we have the human resources necessary for our development. In addition, we actively seek out opportunities to work with local businesses along the value chain to develop a sustainable business plan for all.

We also aim to mitigate the environmental damage at the quarry sites. The Group regularly engages in landscaping activities, including tree-planting, in areas where extraction has taken place to preserve the greenery of the area.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) and the management (the “**Management**”) of the Company are committed to maintain a high degree of corporate governance and transparency for the benefit of its stakeholders. As such, the Board has where practical, adopted the corporate governance practices recommended in the Code of Corporate Governance 2012 (the “**Code**”) the Listing Manual (Section B: Rules of Catalyst) of the SGX-ST (the “**Catalist Rules**”) and the accompanying disclosure guide subsequently provided by the SGX-ST in January 2015 (the “**Guide**”).

This report outlines the Company’s corporate governance processes and structures that have been adopted by the Group with specific references to the principles and guidelines of the Code, and also the specific disclosures required by the Code, in so far as it applies to the Group for the financial year ended 31 December 2015 (“**FY2015**”). The Company has complied with the principles and guidelines as set out in the Code and Guide, where applicable, proper explanations has been be provided for any deviations from the Code and/or the Guide in the relevant sections.

(A) BOARD MATTERS

Principle 1 – The Board’s Conduct of its Affairs

The Board oversees the corporate policy and overall strategy for the Group. The principal roles and responsibilities of the Board include (a) oversight of the overall strategic plans including sustainability and environmental issues as part of its strategic formulation, strategic human resources framework, and financial objectives of the Group; and (b) oversight and the guardian of shareholders’ interest and the Company’s assets through a robust system of effective internal controls, risk management, financial reporting and compliance.

The Board is the highest authority of approval and specific functions of the Board are either carried out by the Board or through various committees established by the Board, namely, the Audit Committee (the “**AC**”), the Nominating Committee (the “**NC**”) and the Remuneration Committee (the “**RC**”) (collectively, the “**Board Committees**”). Each committee has the authority to examine issues relevant under their clearly defined term of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

Matters that require the Board’s approval include, amongst others, the following:

- Appointment and re-election of Directors at general meeting;
- Remuneration of the members of the Board and key management personnel;
- Share option and performance share schemes;
- Financial results announcements and annual business budgets;
- Corporate actions which include issuance of new shares or rights issue;
- Significant capital expenditure;
- Material transactions which include major investments or divestments;
- Dividend decisions;
- Announcements to be released on SGXNet; and
- Strategic decisions.

REPORT ON CORPORATE GOVERNANCE

The Board would conduct scheduled meetings on a quarterly basis. Additional meetings would be convened as and when circumstances warrant. The Articles of Association of the Company (the “**Articles**”) allow for Board meetings to be conducted via any form of audio or audio-visual communication.

The Company welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group’s operations or business from the Management.

When necessary or appropriate, members of the Board may exchange views outside the formal environment of board meetings. Each Board member is expected to objectively discharge his or her duties and responsibilities at all times as fiduciaries in the best interests of the Company.

The attendance record of each Director at meetings of the Board and its committees held in FY2015 was as follows:

	Board	AC	NC	RC
Number of meetings held in FY2015	4	4	1	1
Name of Director	Number of meetings attended in FY2015			
Loo An Swee	4	–	–	–
Pang Kim Chon	4	–	–	–
Tan Eng Ann	4	4	1	1
Dato Thomas Koh Boon Thye	4	4	1	1
Denys Collin Munang	4	4	1	1
Teng Chang Yeow ⁽¹⁾	–	–	–	–
Pay Cher Wee ⁽¹⁾	–	–	–	–

Note:

(1) Mr Teng Chang Yeow and Mr Pay Cher Wee were appointed on 1 March 2016 and therefore did not attend any meetings conducted in FY2015.

Newly appointed Directors will be given a formal and comprehensive orientation by the Executive Directors and Management to familiarise themselves with the businesses, governance and operations of the Group. The newly appointed Directors will also be given an opportunity for a site visit. Upon appointment, the Director will receive a formal letter of appointment setting out his duties and responsibilities. The Company would arrange and fund trainings for first-time Directors in relevant areas such as accounting, legal or industry specific training, where relevant.

The Directors may join institutes and group associations of specific interests, and attend relevant training seminars or informative talks from time to time so that they are in a better position to discharge their duties. The Company encourages the Directors to attend courses in areas of Directors duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Catalist Rules and industry-related matters, to develop themselves professionally, at the Company’s expense. Briefings, updates and trainings for the Directors in FY2015 included:

- briefing by the external auditors (“**EA**”) on changes or amendments to the financial reporting standards at the AC meetings;

REPORT ON CORPORATE GOVERNANCE

- updates by the Company Secretary on amendments to the Catalist Rules; and
- training attended by newly appointed Directors, Mr Teng Chang Yeow and Mr Pay Cher Wee, on “Listed Company Director Essentials – Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know” conducted by the Singapore Institute of Directors.

Principle 2 – Board Composition and Guidance

The Board comprises seven (7) Directors, as set out in the table below.

Director	Designation	Date of Initial Appointment as Director	Date of Last Re-Election	AC	NC	RC	Directorships held in other listed companies in the preceding 3 years
Loo An Swee	Executive Chairman and Chief Executive Officer	2 December 2013	29 May 2015	–	–	–	–
Pang Kim Chon ⁽¹⁾	Executive Director and Chief Operating Officer (“COO”)	2 December 2013	Nil	–	–	–	–
Tan Eng Ann	Lead Independent Director	30 September 2014	29 May 2015	Chairman	Member	Member	RH Energy Ltd
Dato Thomas Koh Boon Thye ⁽¹⁾	Independent Director	30 September 2014	Nil	Member	Member	Chairman	–
Denys Collin Munang	Independent Director	30 September 2014	Nil	Member	Chairman	Member	Australian Agricultural Co Ltd
Teng Chang Yeow ⁽²⁾	Independent Director	1 March 2016	–	Member	Member	Member	–
Pay Cher Wee ⁽²⁾	Non-Executive and Non-Independent Director	1 March 2016	–	Member	Member	Member	–

Notes:

- (1) Mr Pang Kim Chon and Dato Thomas Koh Boon Thye will retire pursuant to Article 86 of the Articles and are subjected to re-election as Directors at the forthcoming Annual General Meeting (“AGM”) of the Company to be held on 29 April 2016.
- (2) Mr Teng Chang Yeow and Mr Pay Cher Wee will retire pursuant to Article 85(6) of the Articles and are subjected to re-election as Directors at the forthcoming AGM of the Company to be held on 29 April 2016.

In FY2015, the NC had evaluated whether a Director is independent in accordance with the Code. Based on the NC’s evaluation and the confirmation of independence received from each Independent Director, the NC had assessed and confirms each of Mr Tan Eng Ann, Dato Thomas Koh Boon Thye and Mr Denys Collin Munang to be independent. The Independent Directors have also confirmed their independence in accordance with the Code.

REPORT ON CORPORATE GOVERNANCE

There are no Directors that are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him to be independent.

The following key information regarding Directors are set out on the following pages of this Annual Report:

- a) Pages 5 to 6 and 14 – Academic and professional qualifications, date of first appointment as Director, date of last re-election as Director, if any, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other major appointments, whether appointment is Executive or Non-Executive, or considered by the NC to be independent;
- b) Page 32 – Shareholdings as at 31 December 2015, if any, in the Company and its subsidiaries; and
- c) Page 32 – Interest at the end of FY2015 in shares, debentures and share options in Company and in related corporations.

For their individual evaluations, each member of the NC would abstain from deliberations in respect of the assessment of his own independence. There is no Independent Director who has served beyond nine years since the date of his first appointment.

In FY2015, the NC has reviewed the size and composition of the Board for effective decision making, which has taken into account factors such as the scope and nature of the operations of the Group and the core competencies of Board members in the fields of financial, legal and strategic management.

The Board is of the view that the diversity of expertise that the Non-Executive Directors possess would assist the Company to constructively challenge and assist in the development of the business strategies and in the reviewing and monitoring of the Management's performance against set targets.

The Independent Directors may at any time meet separately without the presence of Management to facilitate an effective check on the Management. In FY2015, no such meeting was held by the Independent Directors as the Company was listed on the Catalist on 30 April 2015. Notwithstanding, the Independent Directors had met without the presence of Management in March 2016.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The current Board composition provides a diversity of skills, experience, and knowledge to the Company which is elaborated in the table as follows:–

Balance and Diversity of the Board		
	Number of Director(s)	Proportion of Board
Core Competencies		
Accounting or finance related	3	43%
Business and management experience	7	100%
Legal or corporate governance knowledge	3	43%
Relevant industry knowledge	3	43%
Strategic planning experience	7	100%

REPORT ON CORPORATE GOVERNANCE

The Board will take the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board and Board Committees are complementary which would enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

Principle 3 – Chairman and Chief Executive Officer

The roles of the Executive Chairman and Chief Executive Officer (the “CEO”) in the Company are not separated. Mr Loo An Swee (“**Mr Loo**”) is our Executive Chairman, and also acts as our Group CEO.

In view that Mr Loo An Swee, the Executive Chairman and the CEO is the same person, Guideline 2.2 of the Code is met as the Independent Directors make up of more than half of the Board.

Mr Loo has the executive responsibility for the day-to-day operations of the Group and provides overall leadership to the Board. The Chairman, with the help of the Company Secretary, ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with the Chairman, and fellow Directors and other executives, and if warranted, with professional advisors.

The Executive Chairman also has the responsibility to ensure the quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He assumes the lead role in promoting high standards of corporate governance processes as well as the culture of openness and debate at Board meetings. He also encourages constructive relationship within the Board and between the Board and Management while facilitating the effective contributions of Non-Executive and Independent Directors during the Board meetings.

To comply with Guideline 3.3 of the Code, the Company has appointed Mr Tan Eng Ann as our Lead Independent Director, who will meet periodically with the other Independent Directors without the presence of any Executive Directors or Management, and provide feedback to the Chairman after such meetings, if any. The Lead Independent Director would be made available to shareholders whenever they have concerns and for which contact through normal channels with the Chairman and/or Chief Financial Officer has failed to resolve or when such contact is deemed inappropriate.

Principle 4 – Board Membership

The Company has established the NC to make recommendations to the Board on all Board appointments and re-appointments. The salient key terms of reference of the NC include, amongst others, the following:

- reviewing and recommending the nomination or re-nomination of the Directors having regard to their contribution and performance;
- determining on an annual basis whether or not a Director is independent;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; and
- reviewing and approving any new employment of persons whom are related to our Directors and the proposed terms of their employment.

REPORT ON CORPORATE GOVERNANCE

The NC will evaluate and recommend on how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which primary objective is to address how the Board has enhanced long-term shareholders' value.

The Board will also implement an annual process to be carried out by the NC for assessing the effectiveness of the Board as a whole, the respective Board Committees as well as the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The NC comprises five (5) Directors, four of whom including the Chairman, are non-executive and independent. The NC members are:

- Denys Collin Munang (Chairman)
- Tan Eng Ann
- Dato Thomas Koh Boon Thye
- Teng Chang Yeow
- Pay Cher Wee

The Articles requires every Director to retire after three (3) years being in office at each AGM. Pursuant to Article 86, the retiring Directors would submit themselves for re-nomination and re-election.

In addition, pursuant to Article 85(6), newly appointed Directors are required hold office until and submit themselves for re-election at the next AGM following their appointments.

The NC has noted that the following Directors will retire via rotation at the forthcoming AGM pursuant to the Articles of Association:

Name of Director	Designation	Retiring Pursuant to Article of Association
Pang Kim Chon	Executive Director and COO	86
Dato Thomas Koh Boon Thye	Independent Director	86
Teng Chang Yeow	Independent Director	85(6)
Pay Cher Wee	Non-Executive Director	85(6)

Pursuant to the Article 86 of the Articles, Mr Pang Kim Chon and Dato Thomas Koh Boon Thye will retire via rotation, being eligible and having consented, be nominated for re-election as Director at the forthcoming AGM, and subject to being duly re-elected, both Mr Pang Kim Chon and Dato Thomas Koh Boon Thye will remain as the Executive Director and COO, and Independent Director respectively. Upon re-election as Director, Dato Thomas Koh Boon Thye will also remain as the RC Chairman and a member of AC and NC. Dato Thomas Koh Boon Thye is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

REPORT ON CORPORATE GOVERNANCE

Pursuant to the Article 85(6) of the Articles, Mr Teng Chang Yeow and Mr Pay Cher Wee who were appointed by the Board on 1 March 2016, will retire and being eligible and having consented, be nominated for re-election as Director at the forthcoming AGM. Subject to being duly re-elected, Mr Teng Chang Yeow and Mr Pay Cher Wee will remain as the Independent Director, as well as Non-Independent and Non-Executive Director respectively. Upon re-election as Director, Mr Teng Chang Yeow and Mr Pay Cher Wee will remain as members of the AC, NC and RC. Mr Teng Chang Yeow is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Mr Pay Cher Wee is considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

In assessing and recommending a candidate for appointment to the Board, the NC will take into consideration the competencies, skills, experience and diversity the existing Board would require. A description of the candidate's requirements, which could include but not limited to; the background, qualifications, experience and knowledge that the candidate should bring would then be provided to the NC's assessment and evaluation.

The NC may also engage external search consultants to search for new Directors at the Company's expense to shortlist and recommend potential Directors. All recommendations would be put forth to the NC for their assessment and recommendation to the Board thereafter.

New Directors are appointed by way of a board resolution subsequent to the NC recommends the appointment for approval of the Board.

As a broad-based NC policy, the board nomination criteria for evaluating an Executive Director *vis-a-vis* a Non-Executive or Independent Director is different. For an Executive Director, the nomination process would in general be tied to his ability to contribute through his acumen and thinking process of the businesses.

As for a Non-Executive or Independent Director, nominations are based on a myriad of criteria whereby he should possess the independence of mind despite confirmation via in writing, as evaluated by the NC. As further elaborated in the "Board Performance" section of this report, the NC had assessed that the existing Independent Directors have demonstrated their time commitment and ability to contribute their independent opinions to the Board.

Other important issues to be considered as part of the process for the selection and re-appointment of Directors includes the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candor), if applicable, as an Independent Director.

In FY2015, the NC had included the following considerations, amongst others, evaluating Directors:

- (a) expected and/or competing time commitments of each Director;
- (b) number of board representation held by each Director;
- (c) size and composition of the Board; and
- (d) nature and scope of the Group's operations and size.

In FY2015, no cap on the maximum number of listed company directorships that the Directors are allowed to hold was set. Nevertheless, in future the Board finds that time commitment is lacking from any particular Director, the Board may consider imposing a cap in future. The NC had reviewed the time and attention spent by the Directors, and is satisfied that all Directors have discharged their duties adequately for FY2015.

There were no alternate Directors appointed in FY2015.

REPORT ON CORPORATE GOVERNANCE

Principle 5 – Board Performance

The NC will be responsible for assessing the effectiveness of the Board as a whole, the Board Committees and each individual Director. The NC decides how the Board's performance may be evaluated and proposes objective performance criteria that are approved by the Board.

The criteria for evaluation of the performance of individual Directors includes qualitative and quantitative factors such as performance of principal functions and fiduciary duties, Director's attendance at meetings and contribution and performance at such meetings. The NC and the Board strive to ensure that each Director, with his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. The NC will meet once a year, and as warranted by circumstances, to discharge its functions.

The NC has in place a Board performance evaluation process whereby the Board and its Board Committees will complete a group assessment collectively. Evaluation of the individual director's contribution is based on a qualitative feedback received from each director. The Company Secretary will collate the Board's and Directors' evaluations and provide the summary observations to the NC Chairman. The NC would then discuss the evaluation and conclude the performance results during the NC meeting. The evaluation criteria would be reviewed as and when required to keep up with any prevailing good practices, from time to time and to be determined by the NC.

In FY2015, the NC, had reviewed the Board's composition, Board's processes managing the Group's performance and the effectiveness of the Board in its monitoring role and the effectiveness of the respective committees. In evaluating the contributions of each director, the NC has taken in considerations such as attendance and contributions during Board and committee meetings as well as commitment to their role as Directors.

The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board committees have operated effectively, each Director has contributed to the overall effectiveness of the Board and met the performance objectives set in FY2015. The NC also has the option to use an external facilitator for the evaluation process but no external facilitator was engaged in FY2015.

Principle 6 – Access to Information

The Management including the Executive Directors will keep the Board apprised of the Group's operations and performance through quarterly updates and reports as well as through informal discussions. Key Executive Officers who can provide additional insight into the matters at hand would be invited to the Board meeting.

Prior to any meetings of the Board or Board committees, Directors are provided, where appropriate, with sufficient relevant information to enable them to be prepared for the meetings. On an ongoing basis, all Board members have separate and independent access to Management should they have any queries or require additional information on the affairs of the Group.

Before each meeting, Management would provide the Board members with the required explanatory documents relating to matters to be brought before the Board. The Management also provides the Board with quarterly updates on financial results, operational performance, business development and other important and relevant information.

REPORT ON CORPORATE GOVERNANCE

The Directors also have access to the Company Secretary who attends all Board and its committees' meetings. The Company Secretary also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes. The Board is given the names and contact details of the Company's Management and the Company Secretary to facilitate direct, separate and independent access. The role of the Company Secretary includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities would include ensuring good information flows within the Board and its board committees and between Management and Non-Executive Directors, advising the Board on governance matters, as well as facilitating orientation and assisting with professional development as required. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Where the Directors either individually or as a group, in the furtherance of their duties, require independent professional advice, assistance is available to assist them in obtaining such advice at the Company's expense.

(B) REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies

The terms of reference of the RC cover the functions described in the Code including but not limited to, the following:

- (i) to recommend to the Board a framework of remuneration for Directors and Executive Officers;
- (ii) to determine specific remuneration packages for each Executive Director. The recommendations of the RC should be submitted for endorsement by the entire Board;
- (iii) to review the remuneration of related employees who are related to the Directors or the Chief Executive Officer to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities; and
- (iv) to review the Company's obligations arising in the event in the termination of Executive Directors' and Executive Officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

Any bonuses, pay increases and/or promotions for these related employees (defined as employees who are immediate family members of a Director or the CEO), will also be subjected to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review.

The RC comprises entirely Non-Executive Directors, four of whom, including the Chairman are independent. The RC meets at least once a year, and as warranted by circumstances, to discharge its functions. The RC members are:

- Dato Thomas Koh Boon Thye (Chairman)
- Denys Collin Munang
- Tan Eng Ann
- Teng Chang Yeow
- Pay Cher Wee

REPORT ON CORPORATE GOVERNANCE

No member of the RC will be involved in the setting of his remuneration package. As and when deemed appropriate by the RC, remuneration consultants to seek independent advice could be engaged at the Company's expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. No remuneration consultants were engaged for FY2015.

Principle 8 – Level and Mix of Remuneration

The Company's remuneration policy is to attract retain and motivate talent to achieve the Company's goals and objectives to create sustainable value for all stakeholders. The remuneration policy aims to link compensation of the Executive Directors and key management personnel to the achievement of organizational and individual performance objectives. The Company has put in place long term incentive plans such as the GCCP Performance Share Plan and GCCP Employee Share Option Scheme, as further elaborated in Principle 9 of this report, so as to further motivate employees and link compensation with the long term performance of the Company.

In FY2015, the RC had recommended to the Board the quantum of Directors' fees and the Board in turn endorsed the recommendation for shareholders' approval at the AGM. In FY2015, a recommendation was made to shareholders to approve the total payment of S\$120,000 to three (3) Non-Executive Directors. In addition, the RC has recommended a total payment of S\$200,000 to all five (5) Non-Executive Directors for the financial year ending 31 December 2016 payable quarterly in arrears.

The proposed Directors' fees take into consideration the performance of the Group and individual assessment of each Non-Executive Director, the level of contribution to the Company and Board, taking into account various factors including but not limited to efforts and time spent, responsibilities and duties of the Directors.

For the Executive Directors and Key Executive Officers, each of their service agreements and/or compensation packages will be reviewed by the RC. These service agreements cover the terms of employment and specifically, the salaries and bonuses of the Executive Directors and Key Executive Officers. The Company may terminate a service agreement if, *inter alia*, the relevant Executive Director or Key Executive Officers is guilty of dishonesty or serious or persistent misconduct, become bankrupt or otherwise act to the Company's prejudice. Executive Directors of the Company are not entitled to any Directors' fees.

The Company has entered into separate service agreements (the "**Service Agreements**") with the Executive Directors, namely, Mr Loo An Swee and Mr Pang Kim Chon. Please refer to the Offer Document dated 20 April 2015 (the "**Offer Document**"), pages 140 and 142 for the full details of their Service Agreements.

The RC will ensure that the Independent Directors are not over compensated to the extent that their independence may be compromised. Non-Executive Directors are able to participate in the GCCP Employee Share Option Scheme, and the GCCP Performance Share Plan, and hold shares in the Company so as to better align their interests with the interests of shareholders.

In FY2015, the RC has reviewed the compensation and remuneration packages of Directors and Key Executive Officers and believes that their remuneration commensurates with their respective roles and responsibilities.

There are no termination, retirement and post-employment benefits that may be granted to the Directors or the CEO, COO and the two Key Executive Officers.

REPORT ON CORPORATE GOVERNANCE

Principle 9 – Disclosure on Remuneration

The breakdown (in percentage terms) of the remuneration of Directors of the Company in FY2015 was set out below:

Directors	Salary and allowance ² (%)	Variable Bonus ² (%)	Director's Fees ¹ (%)	Total (%)
From S\$0 to S\$250,000				
Loo An Swee	92	8	0	100
Pang Kim Chon	92	8	0	100
Tan Eng Ann	0	0	100	100
Dato Thomas Koh Boon Thye	0	0	100	100
Denys Collin Munang	0	0	100	100

Given the highly competitive conditions, sensitive and confidential nature of such information of each Director and Key Executive Officer, the Company believes that the disclosure of the full remuneration as recommended by the Code may not be in the best interests of the Group. Nevertheless, the Company has provided the full remuneration in the bands of S\$250,000 and a breakdown in percentage terms.

The breakdown (in percentage terms) of the remuneration of two (2) top Key Executive Officers of the Group in FY2015 was set out below:

Remuneration and Name of Executive Officers ³	Designation	Salary and allowance ² (%)	Consultancy Fees (%)	Variable Bonus ² (%)	Total (%)
From S\$0 to S\$250,000					
Ian Lim Koh Huat	Chief Financial Officer	92	0	8	100
Loh Heng Kwai	Director of Operations, Gridland Sdn Bhd	92	0	8	100

Notes:

1. The Director's fees are subject to shareholders' approval at the forthcoming AGM.
2. The salary, allowance and variable bonus amounts shown are inclusive of Central Provident Funds and Employees Provident Funds contributions respectively.
3. The Group has currently only 2 Key Executive Officers.

In aggregate, the total remuneration paid to the 2 top Key Executive Officers was S\$206,000 in FY2015.

Save for Mr Loo Han Hwa, who is the brother of the Executive Chairman and CEO, Mr Loo An Swee, in respect of his employment as a general worker with Gridland Sdn Bhd since August 2012 and Loo Wooi Hong, the son of Mr Loo An Swee, in respect of his employment as an Assistant Project Manager – Operations Department of the Company since 1 July 2015, there were no employees, who are immediate family members of our Directors, substantial shareholders or controlling shareholders (including related employees who have since left our Company). The remuneration paid to Loo Han Hwa and Loo Wooi Hong did not exceed S\$50,000 in FY2015.

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The remuneration received by the Executive Directors and Key Executive Officers takes into consideration his or her individual performance and contribution toward the overall performance of the Group in FY2015. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowance. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives. The Company may engage any external remuneration consultant to assist in the review of compensation and remuneration packages, although no such consultant was engaged in FY2015.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the GCCP Performance Share Plan and GCCP Employee Share Option Scheme)
Qualitative	Leadership People development Commitment Teamwork Current market and industry practices Macro-economic factors	Leadership Current market and industry practices
Quantitative	Growth of Profit Before Tax	Growth of Profit Before Tax

PERFORMANCE SHARE PLAN AND EMPLOYEE SHARE OPTION SCHEME

In conjunction with the Company's listing on Catalist, we have adopted a performance share plan known as the "GCCP Performance Share Plan" (the "**Performance Share Plan**") and a share option scheme known as the "GCCP Employee Share Option Scheme" (the "**ESOS**"), both of which were approved by the shareholders by way of written resolutions of shareholders passed on 26 February 2015. The Board has delegated the administration of the Performance Share Plan and ESOS to the RC.

Both the Performance Share Plan and the ESOS will provide eligible participants (each a "**Participant**" and collectively, the "**Participants**") with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. Both the Performance Share Plan and the ESOS form an integral component of the compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group.

The Performance Share Plan and ESOS are designed to complement each other. The aim of implementing more than one incentive plan is to increase our Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing the Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent.

Unlike the ESOS whereby Participants are required to pay for the exercise of the options, the Performance Share Plan allows the Group to provide an incentive for Participants to achieve certain specific performance targets by awarding fully paid shares to Participants after these targets have been met.

REPORT ON CORPORATE GOVERNANCE

In addition, the assessment criteria for granting options under the ESOS are more general (for example, based on length of service and general performance of the Group) and do not relate to specific performance targets imposed by the Group. On the other hand, the assessment criteria for granting of awards under the Performance Share Plan will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

The aggregate number of shares which may be offered by way of grant of options to the controlling shareholder and their respective associates under the Share Option Scheme shall not exceed 25% of the total number of shares available under the ESOS, with the number of shares which may be offered by way of grant of options to each controlling shareholder and his respective associate not exceeding 10% of the total number of shares available under the ESOS.

For the ESOS, the total number of Shares over which the RC may grant options on any date, when added to the number of shares issued and issuable in respect of (i) all options granted under the ESOS; (ii) all awards granted under the Performance Share Plan; and (iii) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the number of issued shares (excluding treasury shares) on the day immediately preceding the offer date of the option.

The options that are granted under the ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the shares on Catalist for five (5) consecutive market days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price (the "**Market Price Option**") may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price (the "**Discounted Option**") may only be exercised after the second anniversary from the date of grant of that option. Options granted under the ESOS will have a life span of ten (10) years.

The ESOS shall continue in operation for a maximum duration of ten (10) years commencing on the date on which the ESOS was adopted by the Company by way of written resolution and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

For the Performance Share Plan, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and/or issuable in respect of (i) all awards granted under the Performance Share Plan; (ii) all options granted under the ESOS; and (iii) all other shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued shares (excluding treasury shares) of the Company from time to time.

The aggregate number of shares that are available to the controlling shareholders and their associates under the Performance Share Plan shall not exceed 25.0% of the total number of shares available under the Performance Share Plan. The number of shares that are available to each controlling shareholder or each of their associates under the Performance Share Plan shall not exceed 10.0% of the shares available under the Performance Share Plan.

The Performance Share Plan shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by the Company in by way of written resolutions, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the Performance Share Plan, any awards made to Participants prior to such expiry or termination will continue to remain valid.

As at the date of the annual report for FY2015, no options have been granted under the ESOS, and no awards have been granted under the Performance Share Plan.

REPORT ON CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive public information and reports to regulators (if required). Management provides Directors on a quarterly basis, with sufficient relevant information on the Group's financial performance and commentary of the competitive conditions of the industry in which the Group operates. The Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from Management.

The AC reports to the Board on the financial results for review and approval. The Board approves the financial results after review and authorises the release of the results on SGXnet and the public.

The Company will upload its latest announcement(s) which has been disseminated via SGXnet on its website: <http://www.gccpresources.com>.

Principle 11 – Risk Management and Internal Controls

The Board has the overall responsibility for the Group's risk management and internal controls in safeguarding shareholders' interests and the Group's assets. The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information, and to safeguard and maintain accountability of assets. Procedures will be put in place to identify major business risks and evaluate potential financial implications, as well as for the authorisation of capital expenditure and investments.

The AC, on behalf of the Board, reviews the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by Management on an annual basis. The Group currently does not have a Risk Management Committee. The Group also addresses the sustainability risks with compliance to the relevant laws and regulations to mitigate the negative impact to the environment as further elaborated on pages 9 and 10. In addition, the Group also sets policies which are based on ethical considerations on issues related to corporate social responsibility.

Management is required to regularly review the Group's business and operations to identify areas of significant business risks and controls to mitigate the risks. The Management will highlight all significant matters to the Board and AC.

In FY2015, the Board has received assurance from the CEO and the Chief Financial Officer ("CFO") that:

- accounting and other records have been properly maintained and the Company's risk management and internal control systems are adequate and effective; and
- the financial records have been properly maintained and the financial statements of the Group and Company in FY2015 have been presented fairly, in all material aspects.

The design, implementation and operation of the accounting and internal control systems are intended to prevent and detect fraud and errors. The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

REPORT ON CORPORATE GOVERNANCE

Based on the framework of risk management and internal controls established and maintained by the Management, work performed by external auditors, internal controls review performed by the internal auditors before the Company's listing and assurance received from the CEO and CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and system of internal controls is adequate and effective in addressing financial, operational, compliance and information technology risks. Management is also currently working with the internal auditors on the internal audit plan and enterprise risk management plan for the financial year ending 31 December 2016 ("FY2016") for the AC's review and approval.

Principle 12 – Audit Committee ("AC")

The terms of reference of the AC include the following:

Our AC shall meet periodically to perform the following functions:

- (a) consider the appointment or re-appointment of the external auditors, the level of their remuneration and matters relating to resignation or dismissal of the external auditors, and review with the external auditors the audit plans, their evaluation of the system of internal accounting controls, their audit reports, their management letter and Management's response before submission of the results of such review to the Board for approval;
- (b) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of the system of internal accounting controls and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report (where necessary);
- (c) review the system of internal accounting controls and procedures established by Management and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- (d) review the assistance and co-operation given by the Company's officers to the internal and external auditors;
- (e) review the quarterly and annual, and, financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and consider the adequacy of the Management's response;
- (g) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (h) review and approve the review procedures Interested Person Transactions on a quarterly basis;
- (i) maintain an Interested Person Transactions register and review the same on a quarterly basis;
- (j) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

REPORT ON CORPORATE GOVERNANCE

- (k) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;
- (l) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or the findings are material, immediately announced via SGXnet;
- (m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (n) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- (o) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (p) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

The AC comprises five (5) members, of which, four are Independent Directors, including the Chairman. The members of the AC are:

- Tan Eng Ann (Chairman)
- Dato Thomas Koh Boon Thye
- Denys Collin Munang
- Teng Chang Yeow
- Pay Cher Wee

The AC has explicit authority to investigate any matter within its terms of references. It has full access to Management and full discretion to invite any Director or Key Executive Officer to attend its meetings, and to be provided with reasonable resources to enable it to discharge its functions properly. The Executive Directors and Key Executive Officers will be invited to be present at the AC meetings to report and brief the AC members on the financial and operating performance of the Group and to answer any queries from the AC members on any aspect of the operations of the Group.

In February 2016, the AC had met the external auditors without the presence of Management.

The aggregate amount of audit fees paid or payable to Ernst & Young LLP ("**Ernst & Young**") in FY2015 was S\$154,000. There were no non-audit fees paid or payable to Ernst & Young in FY2015.

REPORT ON CORPORATE GOVERNANCE

The financial statements of the Company and its subsidiaries are audited by Ernst & Young. In FY2015, the AC is of the view that the audit firm is adequately resourced, of appropriate standing within the international affiliation. The AC is satisfied that the appointment of Ernst & Young as external auditors would not compromise the standard and effectiveness of the audit of the Company and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules. The AC has recommended to the Board the nomination of Messrs Ernst & Young LLP is for reappointment as external auditors of the Group at the forthcoming AGM of the Company to be held on 29 April 2016.

The Company has adopted a whistle blowing policy whereby staff of the Group and any external parties may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters. The arrangement also provides for independent investigation of such matters and permits whistle blowers to report directly via email to the designated AC Chairman's email account.

The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. On a regular basis, all whistle-blowing cases reported and the resolution would be reported to the AC. Depending on the nature of the concern raised or information provided, the investigation may be conducted.

The Board was of the view that the members of the AC are appropriately qualified to discharge their duties and responsibilities. Mr Tan Eng Ann, the AC Chairman is a Chartered Accountant and also a qualified Chartered Financial Analyst of the Association for Investment Management and Research. During FY2015, the AC was provided with updates on the changes to the Singapore Financial Reporting Standards and new auditor's report requirements by the external auditors in the course of their report to the AC.

Principle 13 – Internal Audit

The AC relies on reports from the Management and external and internal auditors on any material non-compliance and internal control weaknesses. Thereafter, the AC oversees and monitors the implementations thereto.

The Group has outsourced its internal audit function to RSM Ethos Pte. Ltd. (the "IA") which reports directly to the AC. The IA has an administrative reporting function to Management where planning, co-ordinating, managing and implementing internal audit work cycle are concerned.

The work undertaken by the IA, are carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA will report their audit findings and recommendations directly to the AC. For FY2014, and prior to the listing on 30 April 2015, the IA has conducted an internal control review, as disclosed in page 164 of the Offer Document. As the Company was listed on 30 April 2015, there was no internal audit conducted for FY2015. However, upon approval of the internal audit plan for FY2016, the Company shall commission the internal audit for FY2016.

REPORT ON CORPORATE GOVERNANCE

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 – Shareholder Rights

Principle 15 – Communication with Shareholders

Principle 16 – Conduct of Shareholder Meetings

The Company strives to disclose information on a timely basis to shareholders and ensure any disclosure of price sensitive information is not made to a selective group. The information is communicated to our shareholders via:

- annual reports – the Board strives to include all relevant information about the Group, including future developments and disclosures required by the Companies Act, Financial Reporting Standards and the Catalist Rules; and
- SGXnet and press releases (as and when required) on major developments of the Group.

SGXnet disclosures and press releases of the Group are also available on the Company's website at <http://www.gccpresources.com>. The Company may publish presentation slides used during the investor briefings on SGXnet and on its website – <http://www.gccpresources.com>. A copy will be made available on the Company's website and published via SGXnet.

At the shareholders will be given the opportunity to air their views and ask Directors or Management questions regarding the Company and the Group at the AGM. The notice of AGM will be sent together with the annual report, released on SGXnet and on the Company's website as well as published in the newspapers to inform shareholders of upcoming meetings.

The Group has appointed an external media and investor relations consultant to assist the Group to facilitate and gather the exchange of views and queries of shareholders, and also to promote meaningful disclosures to shareholders.

The Board, Management and the external auditors will also be present to address any relevant queries the shareholders may have. At the forthcoming AGM, the Company will prepare the minutes of the AGM which would include substantial or relevant comments from shareholders and the minutes of the AGM will be made available to shareholders, upon their request.

The Company's Articles does not allow for absentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues remains a concern. However, the Articles of the Company does allow a shareholder to vote either in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. A member of the Company who is the Depository (being the Central Depository (Pte) Limited), shall be entitled to appoint more than two proxies to attend and vote in his stead.

At the upcoming AGM, pursuant to the Catalist Rules, the Company shall conduct the voting by way of a poll and the results of the poll conducted for each resolution tabled shall be announced accordingly on SGXnet after the conclusion of the AGM.

The Board did not propose any payment of final dividend for FY2015. The Company does not have a fixed dividend policy yet as it is still not profitable yet. As and when the Company is profitable, and when the Board determines it to be in the best interests of the Company and shareholders, the Board may declare dividends by way of an ordinary resolution of shareholders.

REPORT ON CORPORATE GOVERNANCE

(E) DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities, which has been disseminated to all Directors and Officers within the Group. The Company will also send a notification via email to notify all its Directors and Officers a day prior to the close of window for trading of the Company's securities.

The Company, Directors and Officers are reminded not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and be mindful of the law on insider trading as prescribed under the Securities and Future Act, Cap. 289. The internal code on dealings in securities also makes clear that the Company, its Directors and Officers should not deal in the Company's securities and securities of other listed companies, while in possession of unpublished price-sensitive information and prohibits trading as well as in the following periods:

- (i) the period commencing two weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year; and
- (ii) the period commencing one month before the announcement of the Company's financial statements for its full financial year.

Each of the above periods will end on the date of the announcement of the relevant financial results of the Company.

(F) INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

There were no IPTs with value more than S\$100,000 transacted during FY2015. The Company does not have an IPT mandate.

(G) USE OF PROCEEDS (CATALIST RULE 1204(5f) AND (22))

The Company has not utilized any of the Company's share placement (the "**Placement**") net proceeds from the initial public offer ("**IPO**") as at the date of this report. The breakdown of the proposed utilisation of the proceeds are as follows:

Purposes of IPO Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Balance (S\$'000)
Development of the Hyper Act Quarry	15,000	11,000	4,000
Working Capital ⁽¹⁾	8,232	5,000	3,232
Expenses incurred in connection with the Placement ⁽²⁾	4,828	4,828	–
Total	28,060	20,828	7,232

Note:

- (1) Working capital utilised consisted of approximately S\$3.0 million paid as refundable advance to secure the acquisition of a new limestone hill in Southeast Asia and S\$2.0 million used for general and administrative expenses and selling and distribution expenses in FY2015. The general and administrative expenses consisted mainly of RM1.3 million (approximately equivalent to S\$0.4 million) for salary and wages, RM1.1 million (approximately equivalent to S\$0.4 million) for directors' remuneration, RM0.6 million (approximately equivalent to S\$0.2 million) for land filling, RM0.5 million (approximately equivalent to S\$0.2 million) for travelling expenses, and RM1.6 million (approximately equivalent to S\$0.5 million) for other operating expenses. Selling and distribution expenses amounted to RM0.9 million (approximately equivalent to S\$0.3 million).
- (2) The expenses amounted to approximately S\$4.8 million, out of which approximately S\$1.3 million was capitalised against the capital of the Company and the balance of the estimated expenses was charged to the profit and loss of the Company in FY2015.

REPORT ON CORPORATE GOVERNANCE

(H) MATERIAL CONTRACTS

Save for the Service Agreements entered with the Executive Directors as disclosed on pages 140 and 142 of the Offer Document, there was no other material contract involving the interests of the CEO, any Director or controlling shareholders of the Company which has been entered into by the Group, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

(I) NON-SPONSOR FEES (CATALIST RULE 1204(21))

For FY2015, the Company paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd. S\$2,525,590.00 as advisory services to act as the issue manager and placement agent pursuant to the Company's IPO.

DIRECTORS' REPORT

The directors present their report to the members together with the audited consolidated financial statements of GCCP Resources Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

1. Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this report there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this report are:

Loo An Swee
Pang Kim Chon
Tan Eng Ann
Dato Thomas Koh Boon Thye
Denys Collin Munang
Teng Chang Yeow (appointed on 1 March 2016)
Pay Cher Wee (appointed on 1 March 2016)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Loo An Swee	5,887	461,190,880	–	178,719,080
Pang Kim Chon	940	–	–	178,719,080

DIRECTORS' REPORT

4. Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

5. Directors' Contractual Benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial interest.

6. ESOS and GCCP Performance Share Plan

No options were issued nor were shares awarded under the ESOS and Performance Share Plan by the Company during the financial year. As at 31 December 2015, there are no options and shares awarded on unissued shares of the Company or any other body corporate which were outstanding.

7. Audit Committee, Nominating Committee and Remuneration Committee

Details of the Company's Audit Committee, Nominating Committee and Remuneration Committee are set out in the Report on Corporate Governance in the Annual Report.

8. Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors:

Loo An Swee
Director

Pang Kim Chon
Director

14 April 2016

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
TO THE MEMBERS OF GCCP RESOURCES LIMITED

Report on the financial statements

We have audited the accompanying financial statements of GCCP Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 35 to 70, which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the statements of changes in equity of the Group and of the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

14 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group	
	Note	2015 RM	2014 RM
Revenue	4	3,033,265	572,701
Cost of sales		(2,267,789)	(358,972)
Gross profit		765,476	213,729
Other item of income			
Interest and other income	5	4,648,809	31,804
Other items of expense			
Selling and distribution expenses		(732,565)	(62,854)
General and administrative expenses		(23,244,859)	(38,449,472)
Finance costs	6	(422,704)	(4,777,508)
Loss before tax	7	(18,985,843)	(43,044,301)
Income tax expense	8	–	–
Loss for the year, representing total comprehensive loss for the year attributable to owners of the Company		(18,985,843)	(43,044,301)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	1.69	4.56

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	55,716,726	29,908,428	-	-
Prepayments	23a	9,090,000	4,000,000	-	-
Investments in subsidiaries	11	-	-	5,000,004	5,000,002
		64,806,726	33,908,428	5,000,004	5,000,002
Current assets					
Inventories	12	574,055	895,773	-	-
Trade and other receivables	13	15,356,407	20,579	105,482,113	41,343,076
Prepayments		-	1,943,432	-	676,102
Pledged deposits	14	1,101,799	1,068,684	-	-
Cash and short-term deposits	15	21,553,716	9,456,786	1,268,169	2,883,830
Income tax recoverable		1,200	2,396	-	-
		38,587,177	13,387,650	106,750,282	44,903,008
Total assets		103,393,903	47,296,078	111,750,286	49,903,010
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	16	2,724,796	6,185,586	281,785	2,196,916
Accrued operating expenses		2,879,911	584,666	669,564	584,666
Loans and borrowings	17	9,063,684	594,272	-	-
Derivative financial instruments	18	-	47,168,110	-	47,168,110
		14,668,391	54,532,634	951,349	49,949,692
Net current assets/(liabilities)		23,918,786	(41,144,984)	105,798,933	(5,046,684)
Non-current liability					
Loans and borrowings	17	3,060,595	23,669,661	-	21,960,440
Total liabilities		17,728,986	78,202,295	951,349	71,910,132
Net assets/(liabilities)		85,664,917	(30,906,217)	110,798,937	(22,007,122)
Equity attributable to owners of the Company					
Share capital	19	164,587,851	16,019,659	164,587,851	16,019,659
Treasury shares	20	(13,011,215)	-	(13,011,215)	-
Accumulated losses		(65,911,719)	(46,925,876)	(40,777,699)	(38,026,781)
Total equity/(deficit)		85,664,917	(30,906,217)	110,798,937	(22,007,122)
Total equity and liabilities		103,393,903	47,296,078	111,750,286	49,903,010

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Share capital (Note 19) RM	Treasury shares RM	Accumulated losses RM	Total equity RM
Group				
Balance as at 1 January 2014	645	–	(3,881,575)	(3,880,930)
Loss for the year, representing total comprehensive loss for the year	–	–	(43,044,301)	(43,044,301)
<u>Contributions by and distributions to owners:</u>				
Conversion of convertible loan	11,019,014	–	–	11,019,014
Issuance of new ordinary shares	5,000,000	–	–	5,000,000
Total transactions with owners in their capacity as owners	16,019,014	–	–	16,019,014
Balance as at 31 December 2014 and 1 January 2015	16,019,659	–	(46,925,876)	(30,906,217)
Loss for the year, representing total comprehensive loss for the year	–	–	(18,985,843)	(18,985,843)
<u>Contributions by and distributions to owners:</u>				
Issuance of new ordinary shares	75,501,042	–	–	75,501,042
Share issuance expenses	(5,139,920)	–	–	(5,139,920)
Conversion of convertible loans	78,207,070	–	–	78,207,070
Purchase of treasury shares (Note 20)	–	(13,011,215)	–	(13,011,215)
Total transactions with owners in their capacity as owners	148,568,192	(13,011,215)	–	135,556,977
Balance as at 31 December 2015	164,587,851	(13,011,215)	(65,911,719)	85,664,917
Company				
Balance as at 1 January 2014	645	–	(28,882)	(28,237)
Loss for the year, representing total comprehensive loss for the year	–	–	(37,997,899)	(37,997,899)
<u>Contributions by and distributions to owners:</u>				
Conversion of convertible loan	11,019,014	–	–	11,019,014
Issuance of new ordinary shares	5,000,000	–	–	5,000,000
Total transactions with owners in their capacity as owners	16,019,014	–	–	16,019,014
Balance as at 31 December 2014 and 1 January 2015	16,019,659	–	(38,026,781)	(22,007,122)
Loss for the year, representing total comprehensive loss for the year	–	–	(2,750,918)	(2,750,918)
<u>Contributions by and distributions to owners:</u>				
Issuance of new ordinary shares	75,501,042	–	–	75,501,042
Share issuance expenses	(5,139,920)	–	–	(5,139,920)
Conversion of convertible loans	78,207,070	–	–	78,207,070
Purchase of treasury shares (Note 20)	–	(13,011,215)	–	(13,011,215)
Total transactions with owners in their capacity as owners	148,568,192	(13,011,215)	–	135,556,977
Balance as at 31 December 2015	164,587,851	(13,011,215)	(40,777,699)	110,798,937

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	Group 2014 RM
Operating activities			
Loss before tax, total		(18,985,843)	(43,044,301)
Adjustments for:			
Depreciation of property, plant and equipment		2,165,721	1,242,384
Write-off of property, plant and equipment		5,198	1,239
Loss on disposal of property, plant and equipment		6,913	-
Interest income		(354,190)	(31,804)
Unrealised exchange (gain)/loss		(2,031,042)	931,203
Fair value loss on derivative financial instruments		9,078,520	26,064,858
Finance costs		422,704	4,777,508
Total adjustments		9,293,824	32,985,388
Operating cash flows before changes in working capital		(9,692,019)	(10,058,913)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(14,582,982)	36,780
Decrease/(increase) in inventories		321,718	(895,773)
Decrease/(increase) in prepayments		899,032	(1,932,035)
Decrease in trade and other payables		(3,460,790)	(5,485,425)
Increase in accrued operating expenses		2,295,245	402,804
Total changes in working capital		(14,527,777)	(7,873,649)
Cash flow used in operations		(24,219,796)	(17,932,562)
Interest received		354,190	31,804
Interest paid		(422,704)	(179,656)
Income taxes refunded/(paid)		1,196	(1,228)
Net cash flows used in operating activities		(24,287,114)	(18,081,642)
Investing activities			
Purchases of property, plant and equipment	A	(24,305,253)	(17,449,391)
Prepayments for property, plant and equipment		(5,090,000)	(4,000,000)
Proceeds from disposal of property, plant and equipment		523	-
Net cash flows used in investing activities		(29,394,730)	(21,449,391)
Financing activities			
Proceeds from issuance of new ordinary shares		75,501,042	5,000,000
Share expense capitalised		(5,139,920)	-
Purchase of treasury shares		(13,011,215)	-
Proceeds from convertible loans		-	50,692,309
Repayment of term loans		(472,545)	(2,270,966)
Repayment of hire purchase		(383,747)	(150,233)
Placement of pledged deposits		(33,115)	(235,439)
Net cash flows from financing activities		56,460,500	53,035,671
Net increase in cash and cash equivalents		2,778,656	13,504,638
Effect of exchange rate changes on cash and cash equivalents		1,278,196	(2,138,658)
Cash and cash equivalents at 1 January		9,456,786	(1,909,194)
Cash and cash equivalents at 31 December	15	13,513,638	9,456,786
A. Purchases of property, plant and equipment			
Additions to property, plant and equipment	10	27,986,653	21,847,091
Less: Prepayments made in prior year		(1,044,400)	(3,482,000)
Less: Proceeds from term loan		(2,300,000)	-
Less: Purchase under hire purchase		(337,000)	(915,700)
Net cash outflow for purchases of property, plant and equipment		24,305,253	17,449,391

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. Corporate information

1.1 *The Company*

The Company was incorporated in Cayman Islands on 1 November 2013 as a company limited by shares under the name of Ultimate Prime Ventures Limited.

The registered office of the Company is located at Floor 4, Willow House, PO Box 2804, Grand Cayman KY1-1112, Cayman Islands and the principal place of business of the Group is located at D21-1 Menara Mitraland, No 13A, Jalan PJU 5, Kota Damansara, 47810, Petaling Jaya, Selangor, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 11.

1.2 *The Restructuring Exercise*

The Group undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited ("The Restructuring Exercise").

The details of the Restructuring Exercise are as follows:

(a) *Incorporation of the Company*

The Company was incorporated by the shareholders of Gridland Sdn. Bhd. ("GSB") and Hyper Act Marketing Sdn. Bhd. ("HAM") in Cayman Islands on 1 November 2013 as a company limited by shares, with an initial subscriber share capital of USD200, for the purpose of becoming the holding company of the Group.

(b) *Acquisition of GSB and HAM*

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

Pursuant to the completion of the Restructuring Exercise, GSB and HAM became wholly owned subsidiaries of the Company.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

Pursuant to the Restructuring Exercise as disclosed in Note 1.2, the Company became the holding company of the companies now comprising the Group in December 2013. The companies now comprising the Group were under the common control of the Controlling Shareholder before and after the Restructuring Exercise. Accordingly, for the purpose of this report, the Restructuring Exercise has been accounted for by applying the pooling of interest method of accounting as if the Restructuring Exercise had been completed on 1 January 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.1 *Basis of preparation (cont'd)*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Malaysian Ringgit ("RM") except when otherwise stated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective date (annual periods beginning on or after)
Annual Improvements to IFRS 2012-2014 Cycle	1 January 2016
Amendments to IAS 16 & IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Amendments to IAS 7: Disclosure Initiative	1 January 2017
IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018

Except for IFRS 15 and IFRS 9, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in the accounting policy on adoption of IFRS 15 and IFRS 9 are described below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, when the IASB finalises their amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. The Group is currently assessing the impact of IFRS 15 and plan to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.3 *Standard issued but not yet effective (cont'd)*

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

Basis of consolidation (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognised the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The consolidated financial statements of the Group for the year ended 31 December 2013 have been presented as if the Group had been in existence for the period presented and the assets and liabilities are brought into the consolidated financial statements at the existing carrying amounts. The retained earnings recognised in the consolidated financial statements are the retained earnings of GCCP Gridland Sdn. Bhd., Hyper Act Marketing Sdn. Bhd. and the Company as at 31 December 2013.

Under this method, the Company has been treated as the holding company of GCCP Gridland Sdn. Bhd. and Hyper Act Marketing Sdn. Bhd. for the year ended 31 December 2013 presented rather than from the date of completion of the Restructuring Exercise. Accordingly, the consolidated results of the Group include the results of the subsidiaries for the entire year.

Pursuant to this,

- Assets, liabilities, reserves, revenue and expense of GCCP Gridland Sdn. Bhd. and Hyper Act Marketing Sdn. Bhd. are consolidated at their existing carrying amounts; and
- No amount is recognised for goodwill.

2.5 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.6 *Functional and foreign currency*

(a) *Functional currency*

The Group's and the Company's financial statements are presented in Malaysian Ringgit ("RM"), which is also the Company's functional currency.

(b) *Transactions and balances*

Transactions in foreign currencies are initially recorded in RM at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.7 *Property, plant and equipment*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

-	Leasehold quarry lands:	27 to 43 years
-	Office equipment:	10 years
-	Office units:	90 years
-	Furniture and fittings:	10 years
-	Renovation:	10 years
-	Motor vehicles:	5 years
-	Water tank and pump:	10 years
-	Sign board:	10 years
-	Plant and machinery:	5 years
-	Crusher plant:	15 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment (cont'd)*

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use. The useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

2.8 *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss.

2.9 *Financial instruments – initial recognition and subsequent measurement*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. There are no other categories of financial assets. Financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments – initial recognition and subsequent measurement (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in profit or loss. The losses arising from impairment are recognised in the profit or loss in other operating expenses for receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when either:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(b) *Impairment of financial assets*

The Group assesses, at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments – initial recognition and subsequent measurement (cont'd)*

(b) *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in profit or loss.

(c) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified at initial recognition as loans and borrowings and payables, as appropriate. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, term loans and obligations under finance leases.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments – initial recognition and subsequent measurement (cont'd)*

(c) *Financial liabilities (cont'd)*

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.10 *Cash and short-term deposits*

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

2.11 *Inventories*

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that any entity incurs in connection with the borrowing of funds.

2.13 *Employee benefits*

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year which the associated services are rendered by employees of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.13 *Employee benefits (cont'd)*

Defined contribution plans

The Group makes contributions to the Employees Provident Fund scheme in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14 *Leases*

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than finance lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

2.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade discounts.

Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.16 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Summary of significant accounting policies (cont'd)

2.16 *Taxes (cont'd)*

(c) *Sales tax*

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.17 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.18 *Treasury shares*

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2.19 *Segment reporting*

For management purposes, the Group is organised into one main operating segment, which involves quarrying, processing and sale of limestone. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total expenditure incurred by the Group arises in Malaysia Ringgit ("RM") and all of the Group's non-current assets reside in Malaysia.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of non-financial assets and investments

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting period. Property, plant and equipment and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group has reviewed its property, plant and equipment and investment in subsidiaries for indicator of impairment and concluded that these subsidiaries are currently in its start-up phase and are in gestation period as they strive to build up their customer base. The Group is confident that these subsidiaries will turn profitable in the near future. Accordingly, no impairment is necessary for its property, plant and equipment and investment in subsidiaries. The carrying amount of the Group's property, plant and equipment and investments in subsidiaries at the statements of financial position date are disclosed in Notes 10 and 11 to the financial statements respectively.

3.2 Estimates and assumptions

Management is of the opinion that there is no estimate or assumption that has a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial period.

4. Revenue

Revenue represents invoiced sales after allowance for goods returned and trade discounts.

5. Interest and other income

	Group	
	2015 RM	2014 RM
Interest income from deposits	354,190	31,804
Net foreign exchange gain	4,294,619	–
	4,648,809	31,804

6. Finance costs

	Group	
	2015 RM	2014 RM
Interest expense on:		
– Term loan	207,280	109,062
– Obligations under finance leases	57,875	23,097
– Bank overdraft	157,549	47,497
– Convertible loans	–	4,597,852
	422,704	4,777,508

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2015 RM	2014 RM
Audit fees:		
– Auditors of the Company	427,300	185,003
Depreciation of property, plant and equipment	2,165,721	1,242,384
Director fee	363,564	94,455
Write-off of plant and equipment	5,198	1,239
Employee benefit expense (Note 21)	3,224,094	1,203,856
Operating lease expense	209,038	101,884
Inventories recognised as an expense in cost of sales (Note 12)	2,009,819	358,972
Initial public offering expenses	5,448,795	4,602,607
Fair value loss on derivative financial instruments	9,078,520	26,064,858

8. Income tax expense

Relationship between tax expense and loss before tax

A reconciliation between tax expense and the product of loss before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 is as follows:

	Group	
	2015 RM	2014 RM
Loss before tax	(18,985,843)	(43,044,301)
Tax at the domestic rate applicable to profit in the countries where the Group operates	(4,058,731)	(1,261,601)
<u>Adjustments:</u>		
Non-deductible expenses	2,531,117	196,218
Deferred tax assets not recognised	1,527,614	1,065,383
Income tax expense recognised in profit or loss	–	–

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately RM 10,663,000 (2014: RM 4,553,000) that are available for offset against future taxable profit of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. Loss per share

Basic loss per share is calculated by dividing the Group's loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding those held in treasury.

During the financial year ended 31 December 2015, the Company undertook a 94,382 for 1 share split. The weighted average number of ordinary shares used in calculating the basic and diluted loss per share has been adjusted as if the share split was undertaken at the beginning of the comparative period.

The calculation of diluted loss per share amounts is based on the loss for the year attributable to equity holder of the Company, adjusted to reflect the interest on convertible loans and the fair value gain/loss on the derivative component of the convertible loans, where applicable.

As at 31 December 2014, no adjustment has been made to the basic loss per share amounts presented in respect of a dilution as the impact of the convertible loans outstanding had an anti-dilutive effect on the basic loss per share amounts presented. The diluted earnings per share is the same as the basic earnings per share as the Company does not have any dilutive potential ordinary shares for the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. Property, plant and equipment

Group	Leasehold quarry lands RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Water tank and pump RM	Sign board RM	Plant and machinery RM	Crusher plant RM	Office units RM	Capital-in- progress RM	Total RM
Cost:												
At 1 January 2014	9,892,108	34,004	41,172	20,607	617,961	1,940	500	195,000	-	-	-	10,803,292
Additions	12,610,412	7,987	1,280	6,350	1,349,538	17,000	560	1,746,836	6,107,128	-	-	21,847,091
Write-off	-	(1,430)	-	-	-	-	-	-	-	-	-	(1,430)
At 31 December 2014 and 1 January 2015	22,502,520	40,561	42,452	26,957	1,967,499	18,940	1,060	1,941,836	6,107,128	-	-	32,648,953
Additions	12,661,131	155,508	34,546	516,463	168,295	-	3,820	13,240	-	3,344,400	11,089,250	27,986,653
Write-off	-	(7,996)	-	-	-	-	-	-	-	-	-	(7,996)
Disposal	-	-	(11,587)	-	-	-	-	-	-	-	-	(11,587)
At 31 December 2015	35,163,651	188,073	65,411	543,420	2,135,794	18,940	4,880	1,955,076	6,107,128	3,344,400	11,089,250	60,616,023
Accumulated depreciation:												
At 1 January 2014	1,188,356	7,923	9,006	6,182	247,183	582	100	39,000	-	-	-	1,498,332
Charge for the year	484,416	2,677	5,203	2,272	234,249	1,327	55	274,682	237,503	-	-	1,242,384
Write-off	-	(191)	-	-	-	-	-	-	-	-	-	(191)
At 31 December 2014 and 1 January 2015	1,672,772	10,409	14,209	8,454	481,432	1,909	155	313,682	237,503	-	-	2,740,525
Charge for the year	886,320	11,497	5,099	23,043	414,079	1,894	355	388,652	407,142	27,640	-	2,165,721
Write-off	-	(2,798)	-	-	-	-	-	-	-	-	-	(2,798)
Disposal	-	-	(4,151)	-	-	-	-	-	-	-	-	(4,151)
At 31 December 2015	2,559,092	19,108	15,157	31,497	895,511	3,803	510	702,334	644,645	27,640	-	4,899,297
Net carrying amount:												
At 31 December 2014	20,829,748	30,152	28,243	18,503	1,486,067	17,031	905	1,628,154	5,869,625	-	-	29,908,428
At 31 December 2015	32,604,559	168,965	50,254	511,923	1,240,283	15,137	4,370	1,252,742	5,462,483	3,316,760	11,089,250	55,716,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. Property, plant and equipment (cont'd)

Assets held under finance leases

During the financial year ended 31 December 2015, the Group acquired motor vehicle and plant and machinery with an aggregate cost of RM 433,295 (2014: RM 1,349,538) by means of finance leases.

The carrying amount of motor vehicles held under finance leases as at 31 December 2015 was RM 961,704 (2014: RM 1,204,370).

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold quarry lands with a carrying amount of RM 8,454,721 (2014: RM 8,749,383) were mortgaged to secure the Group's bank loans and bank overdraft facility.

During the financial year ended 31 December 2015, the Group acquired office units with an aggregate cost of RM 3,344,400 which were partially financed by means of term loan. The carrying amount of office units mortgaged to secure the term loan was RM 3,316,760.

The cash outflow on acquisition of property, plant and equipment amount to RM 24,305,253 (2014: RM 17,449,391) for the financial year ended 31 December 2015.

11. Investments in subsidiaries

Composition of the Group

The Group has the following investments in subsidiaries.

Name of Company	Principal place of business	Principal activities	Proportion of ownership interest	
			2015 %	2014 %
<i>Held by the Company</i>				
GCCP Gridland Sdn. Bhd. ⁽¹⁾	Malaysia	Quarrying, processing and sale of limestone	100	100
Hyperact Marketing Sdn. Bhd. ⁽¹⁾	Malaysia	Quarrying, processing and sale of limestone	100	100
GCCP Global Sdn. Bhd. ⁽¹⁾⁽²⁾	Malaysia	Processing and sale of limestone	100	–

⁽¹⁾ Audited by Ernst & Young, Malaysia.

⁽²⁾ The subsidiary was newly incorporated on 24 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. Inventories

	Group	
	2015 RM	2014 RM
Work-in-progress (at cost)	60,554	136,536
Finished goods (at cost)	513,501	759,237
	574,055	895,773
Inventories recognised as an expense in cost of sales	2,009,819	358,972

13. Trade and other receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables	1,536,811	–	–	–
Other receivables	4,688,037	20,579	2,049,436	20,579
Amounts due from subsidiaries	–	–	94,301,118	41,322,497
Deposit	9,131,559	–	9,131,559	–
Total trade and other receivables	15,356,407	20,579	105,482,113	41,343,076
Add:				
– Cash and short-term deposits (Note 15)	21,553,716	9,456,786	1,268,169	2,883,830
– Pledged deposits (Note 14)	1,101,799	1,068,684	–	–
Total loans and receivables	38,011,922	10,546,049	106,750,282	44,226,906

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from subsidiaries

These amounts are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Deposit

The deposit is interest-free and refundable upon cancellation of contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM 403,093 (2014: Nil) that are past due at the end of the reporting period but not impaired. These trade receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2015 RM	2014 RM
Trade receivables past due:		
Lesser than 30 days	358,929	–
30 to 60 days	13,750	–
61 to 90 days	10,658	–
More than 60 days	19,756	–
	403,093	–

14. Pledged deposits

Pledged deposits are short-term deposits made for varying periods of between one month and twelve months, and earn interests at the respective short-term deposit rates.

The short-term deposits have been pledged to the bank for banking facilities granted to the Group as disclosed in Note 17.

15. Cash and short-term deposits

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash at banks and on hand	1,283,561	9,456,786	1,268,169	2,883,830
Short-term deposits	20,270,155	–	–	–
Cash and short-term deposits	21,553,716	9,456,786	1,268,169	2,883,830

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one month to twelve months (2014: Nil) and earn interest at 2.70% to 3.40% (2014: Nil) per annum.

Cash and short-term deposits denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Singapore Dollars	1,274,591	2,889,239	1,264,272	2,880,112
United States Dollars	5,867	3,603	3,897	3,563
	1,280,458	2,892,842	1,268,169	2,883,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

15. Cash and short-term deposits (cont'd)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and short-term deposits	21,553,716	9,456,786	1,268,169	2,883,830
Bank overdraft	(8,040,078)	–	–	–
Cash and cash equivalents	13,513,638	9,456,786	1,268,169	2,883,830

16. Trade and other payables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	2,377,796	–	–	–
Other payables	347,000	6,084,568	281,785	2,095,898
Amount due to director	–	101,018	–	101,018
Total other payables	2,724,796	6,185,586	281,785	2,196,916
Add:				
– Accrued operating expenses	2,879,911	584,666	669,564	584,666
– Loans and borrowings (Note 17)	12,124,279	24,263,933	–	21,960,440
Total financial liabilities carried at amortised cost	17,728,986	31,034,185	951,349	24,742,022

Trade payables/other payables

These amounts are unsecured, non-interest bearing, and have an average term of 30 days.

Amount due to director

The amount is non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. Loans and borrowings

Current:

Obligations under finance leases⁽¹⁾ (Note 23)

Term loans:

– RM loan at BLR + 1.00% per annum⁽³⁾

– RM loan at BLR + 1.00% per annum⁽⁴⁾

Bank overdrafts⁽²⁾

Non-current:

Obligations under finance leases⁽¹⁾ (Note 23)

Term loan:

– RM loan at BLR + 1.00% per annum⁽³⁾

– RM loan at BLR + 1.00% per annum⁽⁴⁾

Convertible loans⁽⁵⁾

Total loans and borrowings

Group	
2015 RM	2014 RM
449,270	275,271
230,004	–
344,332	319,001
8,040,078	–
9,063,684	594,272
630,343	851,089
1,916,660	–
513,592	858,132
–	21,960,440
3,060,595	23,669,661
12,124,279	24,263,933

Non-current:

Convertible loans⁽⁵⁾

Company	
2015 RM	2014 RM
–	21,960,440

⁽¹⁾ Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 10). The discount rate implicit in the leases ranges from 4.40% to 5.11% (2014: 4.40% to 5.11%) per annum. These obligations are denominated in RM.

⁽²⁾ Bank overdrafts

Bank overdrafts are denominated in RM, bear interest at 9.10% (2014: 8.85%) per annum and are secured by a first party first and second legal charge on the leasehold quarry lands as disclosed in Note 10, charge on pledged deposits as disclosed in Note 14, and jointly and severally guaranteed by the directors of the Group.

⁽³⁾ RM loan at BLR + 1.00% per annum

The loan is secured by a first party first and second legal charge on the leasehold quarry lands and office units as disclosed in Note 10, charge on pledged deposits as disclosed in Note 14, and jointly and severally guaranteed by the directors of the Group.

⁽⁴⁾ RM loan at BLR + 1.00% per annum

The loan is secured by a third party second legal charge on a freehold residential land with a 2-storey bungalow held by a director of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. Loans and borrowings (cont'd)

⁽⁵⁾ Convertible loans

In January and April 2014, the Company entered into Convertible Loan Agreements for a principal amount of Singapore Dollars ("S\$") 5 million each at an interest rate of 16% per annum that were converted into ordinary fully paid shares when the Company received approval to list on the Singapore Stock Exchange. The term of the Convertible Loan Agreements was 24 months from the drawdown date. The holders had the right to demand repayment if the Company did not complete an initial public offering on the Singapore Stock Exchange after 24 months from the drawdown date or abort the process for the application of the initial public offering.

In August 2014, the Company entered into another Convertible Loan Agreements for a total aggregate principal amount of Singapore Dollars ("S\$") 8.8 million at an interest rate of 16% per annum that were converted into ordinary fully paid shares when the Company received approval to list on the Singapore Stock Exchange. The term of the Convertible Loan Agreements was 24 months from the drawdown date. The holders had the right to demand repayment if the Company did not complete an initial public offering on the Singapore Stock Exchange after 24 months from the drawdown date or abort the process for the application of the initial public offering.

The Convertible loans were extended to the Company on the condition that pledged documents were duly executed by the Company. The Company pledged its shares in GSB and HAM to the convertible loan holders as security for the fulfilment of the Company's obligations to the loan holders. The pledge documents contained a term to the effect that the pledge shall be discharged within seven business days of the conversion or the repayment of all outstanding payments under the convertible loan agreements.

The carrying amount of the liability component of the convertible loans as at 31 December 2014 was arrived as follows:

	Group and Company 2014 RM
Face value of convertible loans	37,314,866
Fair value of derivative financial instruments at the date of drawdown (Note 18)	(20,516,773)
Liability component of convertible loan at initial recognition	16,798,093
Interest expense recognised during the financial period	4,597,852
Foreign exchange loss	564,495
Liability component of convertible loan at period end	<u>21,960,440</u>

During the financial year, all the convertible loans together with the derivative financial instruments were converted into new ordinary shares of the Company.

18. Derivative financial instruments

	Group and Company 2014 RM
Derivative financial instruments at initial recognition	20,516,773
Foreign exchange loss	586,479
Fair value adjustment	26,064,858
Derivative financial instruments at year end	<u>47,168,110</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. Derivative financial instruments (cont'd)

Derivative component of the convertible loan was related to the investors' right to convert into ordinary fully paid shares at a conversion price which ranged from 50% to 65% of the target valuation of S\$200 million divided by the number of shares prior to conversion.

During the financial year, all the convertible loans together with the derivative financial instruments were converted into new ordinary shares of the Company.

19. Share capital

	Group and Company			
	2015		2014	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares				
At 1 January	10,000	16,019,659	200	645
Subdivision of shares (1 share to 47 shares) ⁽¹⁾	–	–	9,200	–
Issuance of new ordinary shares	122,000,000 ⁽⁵⁾	75,501,042	200	5,000,000
Subdivision of shares (1 share to 94,382 shares) ⁽²⁾	943,810,000	–	–	–
Conversion of convertible loans	127,612,933 ⁽³⁾	78,207,070	400 ⁽⁴⁾	11,019,014
Share issuance expenses	–	(5,139,920)	–	–
At 31 December	1,193,432,933	164,587,851	10,000	16,019,659

The holders of ordinary shares, except treasury shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

⁽¹⁾ On 2 May 2014, the shareholders approved the subdivision of every one (1) share into 47 shares, whereupon the issued and paid-up share capital was enlarged from 200 to 9,400 shares.

⁽²⁾ On 26 February 2015, the shareholders approved the subdivision of every one (1) share into 94,382 shares, whereupon the issued and paid-up share capital was enlarged from 10,000 to 943,820,000 shares.

⁽³⁾ On 23 March 2015, S\$14.8 million of convertible loans were converted into 127,612,933 fully paid ordinary shares of the Company.

⁽⁴⁾ On 2 May 2014, S\$4.0 million of the convertible loans were converted into 400 fully paid ordinary shares of the Company.

⁽⁵⁾ On 30 April 2015, the Company issued 122,000,000 ordinary shares at S\$0.23 each pursuant to the Initial Public Offering ("IPO") of the Company. Consequently, the share capital of the Company increased to 1,193,432,933 ordinary shares amounting to RM 164,587,851 after IPO share issuance expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20. Treasury shares

	Group and Company 2015	
	Number of shares	RM
At 1 January	–	–
Acquired during the financial year	33,400,000	13,011,215
At 31 December	33,400,000	13,011,215

Treasury shares relate to ordinary shares of the Company that is held by the Company.

During the financial year ended 31 December 2015, the Company acquired 33,400,000 shares in the Company through purchases on The Singapore Exchange. The total amount paid to acquire the shares was RM 13,011,215 and this was presented as a component within the shareholders' equity.

21. Employee benefits

	Group	
	2015 RM	2014 RM
<i>Employee benefits expense (including directors):</i>		
Salaries and bonuses	2,947,959	1,063,366
Employees Provident Fund	259,698	134,425
Social Security Organisation ("SOCSO")	16,437	6,065
	3,224,094	1,203,856

22. Related party transactions

Compensation of key management personnel

	Group	
	2015 RM	2014 RM
Salaries and bonuses	1,455,096	766,122
Employees Provident Fund	100,800	72,000
Social Security Organisation ("SOCSO")	1,859	1,240
Director fee	363,564	94,455
	1,921,319	933,817
<i>Comprise amounts paid to:</i>		
Directors of the Group	1,583,556	715,977
Other key management personnel	337,763	217,840
	1,921,319	933,817

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

23. Commitments

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015 RM	2014 RM
Capital commitments in respect of property, plant and equipment	25,808,000	23,627,500

As at 31 December 2015, the Company made prepayment amounted to RM 9,090,000 (2014: RM 4,000,000) for the purchase of leasehold lands, and plant and machineries.

(b) *Operating lease commitment – as lessee*

The Group has entered into commercial lease for the rental of employees' accommodations. The lease has a period of 12 months (2014: 12 months). There are no restrictions placed upon the Group by entering into the lease. Future minimum rentals payable under non-cancellable operating leases at the end of the reporting are as follows:

	Group	
	2015 RM	2014 RM
Not later than one year	40,000	10,948

(c) *Finance lease commitments*

The Group has finance leases for motor vehicles and plant and machinery. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2015		2014	
	Minimum lease payments RM	Present value of payments (Note 17) RM	Minimum lease payments RM	Present value of payments (Note 17) RM
Group				
Not later than one year	490,359	449,270	321,766	275,271
Later than one year but not later than five years	673,412	630,343	921,105	851,089
Total minimum lease payments	1,163,771	1,079,613	1,242,871	1,126,360
Less: Amounts representing finance charges	(84,158)	–	(116,511)	–
Present value of minimum lease payments	1,079,613	1,079,613	1,126,360	1,126,360

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Liabilities measured at fair value*

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Significant unobservable inputs (Level 3) 2014 RM
Group	
<i>Financial liabilities:</i>	
<u>Derivative financial instruments</u>	
– Embedded derivative within the convertible loans (Note 18)	<u>47,168,110</u>

There have been no transfers between Level 1 and Level 2 or Level 2 and Level 3 during the financial year ended 31 December 2014.

As at 31 December 2015 and 2014, the Group does not have any financial instruments which are classified under Level 1 and Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24. Fair value of assets and liabilities (cont'd)

(b) *Liabilities measured at fair value (cont'd)*

(i) Information about significant unobservable input used in Level 3 fair value measurements

The following table shows information about fair value measurements using significant unobservable input (Level 3)

	Valuation technique	Significant unobservable input	Value
Embedded derivative within the convertible loans	Discounted cash flow	Probability of IPO being successful	80%

The fair value of the embedded derivative within the convertible loans was determined by estimating the probability that the listing will occur and applying this probability to the value of the "free" shares being provided to the convertible loan holders. In performing this valuation, it is noted that the value of the "free" shares does not change irrespective of the listing price of the Company. The maximum theoretical value of "free" shares issued to the convertible loan holders upon conversion is worth S\$23,811,000 (RM 62,930,000). The exchange rate at 31 December 2014 was used to convert the instrument into Malaysia Ringgit.

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable input that reflect reasonably possible alternative assumption.

	Carrying amount RM	Effect of reasonably possible alternative assumption Profit or loss RM
2014		
Recurring fair value measurements		
Liabilities		
Derivative financial instruments	56,012,130	8,844,020

In order to determine the effect of the above reasonably possible alternative assumption, the Company adjusted the following key unobservable input used in the fair value measurement:

- For derivative financial liability, the Company adjusted the fair value measurement based on management's assumption on the success rate of the IPO by increasing the adjustments to 95%. During the financial year ended 31 December 2015, all the convertible loans together with the derivative financial instruments had been converted into new ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24. Fair value of assets and liabilities (cont'd)

(b) *Liabilities measured at fair value (cont'd)*

(ii) Valuation policies and procedures

The Group's Chief Financial Officer (CFO) oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The CFO is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and IFRS 13 fair value measurement guidance.

For valuations performed by external valuation experts, the CFO reviews the appropriateness of the valuation methodologies and assumptions adopted. The CFO also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in valuations.

Significant changes in fair value measurements from period to period are evaluated by the CFO for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value*

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2015		2014	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial liabilities				
<i>Loans and borrowings</i>				
<i>(non-current)</i>				
– Obligations under finance leases	630,343	673,412	851,089	921,105

25. Financial instruments risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the years under review, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Group does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

25. Financial instruments risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables is as follows:

	2015	
	RM	% of total
By country:		
Malaysia	642,425	42
Indonesia	894,386	58
	1,536,811	100

At the end of the reporting period, approximately 95% of the Group's trade receivables were due from 2 major customers.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with various banks. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation and mitigate the effect of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

25. Financial instruments risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debts maturity within 12 months can be rolled over with existing lenders, if necessary.

Analysis of financial instruments by remaining contractual maturities

The table below summarise the maturity profile of the Group's and of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less RM	One to five years RM	Total RM
Group			
2015			
Financial assets:			
Trade and other receivables	15,356,407	–	15,356,407
Cash and short-term deposits	21,553,716	–	21,553,716
Pledged deposits	1,101,799	–	1,101,799
Total undiscounted financial assets	38,011,922	–	38,011,922
Financial liabilities:			
Trade and other payables	2,724,796	–	2,724,796
Accrued operating expenses	2,879,911	–	2,879,911
Loans and borrowings	9,318,587	3,536,623	12,855,210
Total undiscounted financial liabilities	14,923,294	3,536,623	18,459,917
Total net undiscounted financial assets/(liabilities)	23,088,628	(3,536,623)	19,552,005
2014			
Financial assets:			
Trade and other receivables	20,579	–	20,579
Cash and short-term deposits	9,456,786	–	9,456,786
Pledged deposits	1,068,684	–	1,068,684
Total undiscounted financial assets	10,546,049	–	10,546,049
Financial liabilities:			
Trade and other payables	6,185,586	–	6,185,586
Accrued operating expenses	584,666	–	584,666
Loans and borrowings	798,174	28,048,915	28,847,089
Derivative financial instruments	47,168,110	–	47,168,110
Total undiscounted financial liabilities	54,736,536	28,048,915	82,785,451
Total net undiscounted financial liabilities	44,190,487	28,048,915	72,239,402

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

25. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less RM	One to five years RM	Total RM
Company			
2015			
Financial assets:			
Trade and other receivables	105,482,113	–	105,482,113
Cash and short-term deposits	1,268,169	–	1,268,169
Total undiscounted financial assets	106,750,282	–	106,750,282
Financial liabilities:			
Trade and other payables	281,785	–	281,785
Accrued operating expenses	669,564	–	669,564
Total undiscounted financial liabilities	951,349	–	951,349
Total net undiscounted financial assets	105,798,933	–	105,798,933
2014			
Financial assets:			
Trade and other receivables	41,343,076	–	41,343,076
Cash and short-term deposits	2,883,830	–	2,883,830
Total undiscounted financial assets	44,226,906	–	44,226,906
Financial liabilities:			
Trade and other payables	2,196,916	–	2,196,916
Accrued operating expenses	584,666	–	584,666
Loans and borrowings	–	26,101,703	26,101,703
Derivative financial instruments	47,168,110	–	47,168,110
Total undiscounted financial liabilities	49,949,692	26,101,703	76,051,395
Total net undiscounted financial liabilities	5,722,786	26,101,703	31,824,489

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a sufficient cash in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

27. Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration for limestone. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total expenditure incurred by the Group arises in Malaysia Ringgit ("RM") and all of the Group's non-current assets reside in Malaysia.

Information about geographical areas

Revenue information based on the geographical location of customers and assets respectively are as follows:

	Group	
	2015 RM	2014 RM
Malaysia	1,226,287	572,701
Indonesia	1,806,978	–
	3,033,265	572,701

The Group's non-current assets consist of property, plant and equipment as presented in the statement of financial position of the Group are located in Malaysia.

Information about major customers

Revenue from two major customers (2014: one) amounted to approximately RM 2,972,000 (2014: RM 349,000) arising from sale of limestone.

28. Subsequent event

On 22 March 2016, the Company adopted the transfer of 14,613,043 treasury shares in satisfaction of the consideration shares to be issued to the vendor for the acquisition of lands.

29. Authorisation of financial statements for issue

The financial statements of the Group and Company for the years ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 14 April 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2016

Class of shares	: Ordinary
Number of Ordinary Shares in issue (excluding Treasury Shares)	: 1,154,832,933
Voting rights (excluding Treasury Shares)	: One vote per ordinary share
Number/Percentage of Treasury Shares	: 38,600,000 (3.34%)

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	18	7.14	775	0.00
100 – 1,000	8	3.18	3,997	0.00
1,001 – 10,000	26	10.32	204,600	0.02
10,001 – 1,000,000	163	64.68	29,318,507	2.54
1,000,001 AND ABOVE	37	14.68	1,125,305,054	97.44
TOTAL	252	100.00	1,154,832,933	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LOO AN SWEE	461,190,880	39.94
2	WILMA GLOBAL INVESTMENTS LIMITED	178,719,080	15.48
3	CHUNG MAN CHONG	133,078,620	11.52
4	UOB KAY HIAN PRIVATE LIMITED	65,473,553	5.67
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	46,844,218	4.06
6	PAY CHER WEE	38,288,132	3.32
7	OCBC SECURITIES PRIVATE LIMITED	32,617,407	2.82
8	GRIFFIN PRIVE FUND SPC FOR AND ON BEHALF OF DELTA SEGREGATED PORTFOLIO	25,451,870	2.20
9	DBS NOMINEES (PRIVATE) LIMITED	22,148,815	1.92
10	NOVAGOLD LIMITED	17,743,816	1.54
11	RAFFLES NOMINEES (PTE) LIMITED	13,756,413	1.19
12	LOH HENG KWAI	13,307,862	1.15
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	9,763,200	0.85
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,354,500	0.81
15	GRIFFIN PRIVE FUND SPC FOR AND ON BEHALF OF FALCON SEGREGATED PORTFOLIO	7,303,367	0.63
16	PHILLIP SECURITIES PTE LTD	6,926,300	0.60
17	LIM KOH HUAT	4,860,554	0.42
18	CHUA CHYE SUN	3,900,000	0.34
19	CHUAH SEONG LEE	3,436,000	0.30
20	SOO KEE WEE	2,813,872	0.24
TOTAL		1,096,978,459	95.00

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2016

PUBLIC FLOAT

Based on the information available to the Company as at 17 March 2016, approximately 25.13% of the issued ordinary shares of the Company are held by the public. Accordingly the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited.

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 17 March 2016:

No.	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		No. of Shares ¹	%	No. of Shares ¹	%
1	Loo An Swee ("Alex Loo") ²	461,190,880	39.94	178,719,080	15.48
2	Wilma Global Investments Limited ("Wilma Global") ²	178,719,080	15.48	–	–
3	Pang Kim Chon ²	–	–	178,719,080	15.48
4	Chung Mun Chong	133,078,620	11.52	–	–
5	Pay Cher Wee ^{3, 4}	38,288,132	3.32	32,755,237	2.84

Notes:

- Based on the total issued share capital of 1,154,832,933 ordinary shares of the Company as at 17 March 2016.
- Wilma Global is an investment holding company incorporated in the British Virgin Islands. Alex Loo, and Pang Kim Chon, holds 50.4% and 49.6% of Wilma Global respectively and are each deemed interested in the shares held by Wilma Global.
- GPF (Delta) for and on behalf of Delta Segregated Portfolio ("GPF (Delta)") and GPF (Falcon) for and on behalf of Falcon Segregated Portfolio ("GPF (Falcon)") are segregated portfolios under Griffin Prive Fund SPC, a fund company established as a segregated portfolio company in the Cayman Islands. The fund manager of GPF is Accion Capital Management Pte. Ltd. ("Accion"), with full discretionary power and authority over the investments for each segregated portfolio of GPF. Accordingly, Accion is deemed interested in the shares held by GPF (Delta) and GPF (Falcon). Accion does not hold any shares in GPF (Delta) and GPF (Falcon). The directors and shareholders of Accion are Chua Thiam Joo, Pay Cher Wee and Teo Kian Huat.

As at 17 March 2016, GPF (Delta) holds 25,451,870 shares while GPF (Falcon) holds 7,303,367 shares in the share capital of the Company.

- Pay Cher Wee holds more than 20% of the issued share capital of Accion and is deemed interested in the shares of the Company which Accion is deemed interested in.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of GCCP Resources Limited (the “Company”) will be held at HortPark, 33 Hyderabad Rd, Fruit Room, Singapore 119578 on Friday, 29 April 2016 at 2:30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to the Articles of Association of the Company (the “Articles”):

Mr Pang Kim Chon	(Retiring under Article 86)	(Resolution 2)
Dato Thomas Koh Boon Thye	(Retiring under Article 86)	(Resolution 3)
Mr Teng Chang Yeow	(Retiring under Article 85 (6))	(Resolution 4)
Mr Pay Cher Wee	(Retiring under Article 85 (6))	(Resolution 5)

The profiles of the above mentioned directors can be found under the sections entitled “Board of Directors” and the “Report on Corporate Governance” in the Annual Report 2015.

[See Explanatory Note (i)]

3. To approve the payment of Directors’ fees of S\$120,000 (equivalent to RM348,000) for the year ended 31 December 2015 (2014: S\$30,000).

[See Explanatory Note (ii)]

(Resolution 6)

4. To approve the payment of Directors’ fees of S\$200,000 (equivalent to RM580,000) for the year ending 31 December 2016, payable quarterly in arrears (2015: S\$50,000).

[See Explanatory Note (ii)]

(Resolution 7)

5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares

That pursuant to Rule 806 of the Singapore Exchange Security Trading Limited (the “SGX-ST”) Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares (including Shares to be issued in pursuant of the Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual Section B: Rules of the Catalist (the "Catalist Rules"); and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Cayman Companies Act and the Articles of Association, for the time being, of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue shares under the GCCP Employee Share Option Scheme (the “ESOS”)

That the Directors of the Company be authorised to offer and grant options in accordance with the provisions of the ESOS and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the exercise of options under the ESOS, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS, when added to the aggregate number of Shares issued and issuable in respect of all options granted under the ESOS all awards granted under the GCCP Performance Share Plan, and all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the offer date of the option, as determined in accordance with the provisions of the ESOS.

[See Explanatory Note (iv)]

(Resolution 10)

9. Authority to allot and issue shares under the GCCP Performance Share Plan

That the Directors of the Company be authorised to offer and empowered to grant awards in accordance with the provisions of the GCCP Performance Share Plan and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting awards under the GCCP Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; (ii) all shares issued and issuable in respect of all options granted or awards granted under ESOS; and (iii) all other shares issued and/or issuable under any other share-based incentive schemes or share plans implemented by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) of the Company on the day preceding the relevant date of the award.

[See Explanatory Note (v)]

(Resolution 11)

10. Renewal of Share Buy Back Mandate

(i) That pursuant to the Articles, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Act”) and the Catalist Rules, approval be and is hereby given for the renewal of the Share Buy Back Mandate (as hereinafter defined) and the Directors of the Company be authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time, up to the Maximum Price (as hereinafter defined), whether by way of:

- (a) market purchase(s) (“Market Purchase”), transacted on SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted; and/or
- (b) off-market purchase(s) (“Off-Market Purchase”) (if effected otherwise than on SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit and in the interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Articles and the Catalist Rules,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations (the “Share Buy Back Mandate”); and

- (ii) That the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
 - (a) the conclusion of the next AGM of the Company following the passing of this resolution;
 - (b) the date by which such AGM is required by law or the Articles to be held;
 - (c) the date on which Share purchases or acquisitions pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or
 - (d) the date on which the authority conferred by the Share Buy Back Mandate is varied or revoked by ordinary resolution of the Company in a general meeting (the “Relevant Period”).
- (a) In this resolution:

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: one hundred and five per cent (105%) of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: one hundred and twenty per cent (120%) of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) trading market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;

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

“Prescribed Limit” means that number of issued Shares representing ten per cent (10%) of the issued ordinary share capital of the Company as at the date of passing of this resolution unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period or within any one financial year of the Company, whichever is the earlier, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time); and

“Relevant Period” means the period commencing from the date on which the AGM is held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (vi)]

(Resolution 12)

By Order of the Board

Kenneth Leong
Company Secretary
Singapore,
14 April 2016

Explanatory Notes:

- (i) Mr Pang Kim Chon, upon re-election as a Director of the Company, will remain as the Executive Director and Chief Operating Officer.

Dato Thomas Koh Boon Thye, upon re-election as a Director of the Company, will remain as the Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit and Nominating Committees, and the Board of Directors considers him independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr Teng Chang Yeow, upon re-election as a Director of the Company, will remain as the Non-Executive Director, a member of the Audit, Nominating and Remuneration Committees, and the Board of Directors considers him independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr Pay Cher Wee, upon re-election as a Director of the Company, will remain as the Non-Executive Director, a member of the Audit, Nominating and Remuneration Committees, and the Board of Directors considers him non-independent for the purposes of Rule 704(7) of the Catalist Rules.

- (ii) Ordinary Resolution 6 should be read in conjunction with the proposed remuneration for Non-Executive Directors for the financial year ended 31 December 2015 as presented on Page 22 of the Report on Corporate Governance in the Annual Report 2015.

- (iii) The Ordinary Resolution 9 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iv) The Ordinary Resolution 10 in item 8 above, if passed, will empower the Directors to issue Shares up to an amount in aggregate not exceeding fifteen per centum (15%) of the issued share capital (excluding treasury shares) of the Company pursuant to the ESOS (which was approved via a written resolution of the members of the Company on 26 February 2015), and such other share-based incentive scheme or share plan, on the date preceding the offer date of the option. This authority is in addition to the general authority to issue Shares sought under Ordinary Resolution 9.

NOTICE OF ANNUAL GENERAL MEETING

- (v) The Ordinary Resolution 11 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the GCCP Performance Share Plan in accordance with the provisions of the GCCP Performance Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the GCCP Performance Share Plan subject to the maximum number of shares prescribed under the terms and conditions of the GCCP Performance Share Plan.
- (vi) The Ordinary Resolution 12 in item 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchase or off-market purchase.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 are set out in greater detail in the letter to shareholders accompanying the Annual Report.

Notes:

- (1) A Member of the Company (other than the Central Depository (Pte) Limited (the "CDP")) entitled to attend and vote at the AGM and who is holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote in his stead by completing and signing the Member Proxy Form. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing; or if such appointer is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in the behalf.
- (3) An individual Depositor whose name is shown in the records of the CDP as at a time not earlier than forty-eight (48) hours, may attend as a CDP's proxy and shall not be required to lodge any proxy form. A Depositor may appoint a nominee(s) to attend and vote in his stead by completing and signing the Depositor Proxy Form. Where a Depositor(s) is a corporation and wishes to be represented at the AGM, it must nominate an appointee(s) to attend and vote as a proxy for CDP at the AGM in respect of the number of the Depositor(s) Shares.
- (4) In the case where an instrument of proxy appoints more than one proxy (including the case when a Depositor Proxy Form is used), the proportion of the shareholding concerned (expressed of as a percentage of the whole) to be represented by each proxy shall be specified in the Instrument of proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (5) The Member Proxy Form and Depositor Proxy Form must be lodged at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



INDEPENDENT QUALIFIED PERSON'S REPORT

A LIMESTONE PROJECT IN IPOH,
PERAK, MALAYSIA

MEC1601001

REPORT DATE: 8 APRIL 2016

Prepared for
GCCP Resources Limited

Prepared by
Greater China Mineral & Energy Consultants Limited

INDEPENDENT QUALIFIED PERSON'S REPORT



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INDEPENDENT QUALIFIED PERSON'S REPORT

I. INTRODUCTION

Greater China Mineral and Energy Consultants Limited ("GCME") is engaged by GCCP Resources Limited ("GCCP" or the "Company") to perform an independent review of the Litmus Limestone Project (the "Project") located in Ipoh, Perak, Malaysia. The Project consists of 2 limestone quarries / mines owned by GCCP Gridland Sdn Bhd ("GLD Mine") and Hyper Act Marketing Sdn Bhd ("HAM Mine"), respectively. GCME issued an Independent Qualified Person's Report prepared by GCA in October 2014 ("2014 IQPR") which was part of GCCP Resources Limited ("GCCP")'s prospectus for its listing on the Singapore Exchange on 30 April 2015. For this engagement, GCME prepares an updated Independent Qualified Person's Report ("Updated IQPR") for the sole purpose of internal reference of GCCP and its advisors and may be released to the general public for general disclosure purpose only.

This Updated IQPR dated 8 April 2016 is an update of the Project to present the operations, current status and report the latest resource and reserves of the GLD Mine and HAM Mine as of 31 December 2015 (the "Reference Date") in accordance with the 2012 Edition of the JORC Code.

A site visit has been made by the Qualified Person, Mr. Sergio Matteoli, and GCME representatives between 15 and 18 January 2016 to inspect both the GLD Mine and the HAM Mine.

GCME is an independent third party and Mr. Sergio Matteoli is an independent qualified person and fulfils the independent requirements as set out in Rule 442 of the Singapore Exchange Catalist Rules.

- Mr. Sergio Matteoli and GCME's partners, directors, substantial shareholders and their associates are independent of GCCP, its directors and substantial shareholders;
- Mr. Sergio Matteoli and GCME's partners, directors, substantial shareholders and their associates have no interest, direct or indirect, in GCCP, its subsidiaries or associated companies and will not receive benefits other than remuneration paid in connection with the Updated IQPR; and
- Remuneration paid to GCME in connection with the report is not dependent on the findings of the Updated IQPR.

Information used in this report including but not limited to:

- Updated Quarry Plan of GLD Mine for third quarter 2015 prepared by KenEp Consultancy & Services Sdn. Bhd.
- Updated Quarry Plan of HAM Mine for third quarter 2015 prepared by KenEp Consultancy & Services Sdn. Bhd.
- 2015-2016 SKP of GLD Mine provided by GCCP
- 2015-2016 SKP of HAM Mine provided by GCCP
- GCC Powder Plant Design provided by GCCP
- Production Records for 2015 provided by GCCP
- Product Sales Report for 2015 provided by GCCP
- 6 Sales Samples Testing Reports prepared by SGS (Malaysia) Sdn. Bhd.
- Actual OPEX record of the GLD Mine provided by GCCP

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- Revised OPEX and CAPEX Forecast of the HAM Mine provided by GCCP
- Volume Report of the GLD Mine prepared by S Tri Survey Sdn. Bhd.
- Volume Report of the HAM Mine prepared by S Tri Survey Sdn. Bhd.

GCME and the qualified person do not accept any responsibility for the completeness or adequacy of the information provided by GCCP and its advisors (S Tri, and KenEp) and for information extracted from public sources. However, GCME and the qualified person have made reasonable enquiries and exercised his judgement on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Assets Description

The Project consists of two limestone quarries and their associated calcium carbonate industrial mineral assets, namely the "GLD Mine" with an area of 0.1012km² and the proposed "HAM Mine" with an area of 0.2428km² which are controlled by GLD and HAM, respectively. Both GLD and HAM are wholly owned subsidiaries of GCCP with 100% interest.

Table I - 1 Summary of Assets

Asset name/ Country	Issuer's Interest (%)	Development Status	Licence expiry date	Licence Area	Type of mineral deposit	Remarks
GCCP Gridland (GLD)	100%	Operating and producing	31 December 2016	0.1012km ²	Limestone	License subject to annual renewal
Hyper Act Marketing (HAM)	100%	Near production	30 June 2016	0.2428km ²	Limestone	License subject to annual renewal

Source: GCCP

Both GLD Mine and HAM Mine are located close to the city of Ipoh, Perak which is about 180km north of Kuala Lumpur, the Malaysian capital. Ipoh is the capital city of Perak State on the Peninsular Malaysia. It has a geographical coordinates of 4°36'0"N, 101°4'0"E located at 200km north of Kuala Lumpur and 130km south of Penang.

Both sites are accessed via a short dirt side road of the paved 2-lane, North South Expressway. The side road will require widening and other improvements as the Project develops to accommodate scaled production. The proposed HAM Mine can be accessed directly from public roads (North South Expressway and its connecting roads) via a designated Simpanan Jalan (custody road) while GLD Mine can be accessed via a private road joining the GLD Mine and public road. GLD has exclusive right to use this private road.

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Figure I - 1 Project Location Map



Source: The Pre-Feasibility Study

Malaysia allows the use or occupation of the land under a title, Temporary Occupation Licence ("TOL") or by way of reservation or under a permit in the case of the extraction of rock material. Basically, alienation of land or giving of title over a piece of land by the State can only be made if the land is a State land. Section 43 of the National Land Code ("NLC") lists out persons or bodies who can apply for lands.

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To operate a quarry in Malaysia, a Quarrying Approval Letter is needed. The Quarrying Approval Letter is called the Surat Kelulusan Pengkuarian in Malaysia.

The GLD Mine and the HAM Mine both have Land Title and Quarry Approval Letter. The SKP is subject to annual renew through an independent quarry consultant which has been appointed by GLD and HAM.

In both GLD and HAM deposits, limestone is metamorphosed into marble, i.e. a metamorphic rock consisting predominantly of fine to coarse grained recrystallized calcite and dolomite due to the presence of a large granitic batholith located few km eastward. Due to recrystallization, crystals have interlocking or sutured boundaries forming a mosaic, hence increasing the density and the strength of the rock. Many of the limestone formation in Malaysia have actually been metamorphosed into marble. For example, the limestone formations in the Klang valley (K.L. area) and in the Kinta Valley (Ipoh area) are strictly all marble (Tan Boon-Kong, University Kebangsaan Malaysia, 2002). However, marble also shows the same solution features and behaviour as in limestone. In GLD Mine and HAM Mine, marble hills are characteristically steep-sided, with sub-vertical to overhanging cliffs. The base of the hills also often show deep horizontal notches or undercuts due to dissolution by streams, groundwater or swamp water. The actual groundwater level is located a few meters below the horizontal undercuts and it is highlighted by the presence of the ponds around the hills. Even though GLD Mine and HAM Mine are located not very far from each other, outcropping marbles show a different colour of the stone. A very large quantity of samples has been collected from the boreholes already drilled at both GLD Mine and the proposed HAM Mine till the time of the field inspection.

The samples collected from HAM Mine are generally light grey in colour, while the samples collected from GLD Mine are generally darker. Moreover, the field survey carried out at the GLD mine highlight the presence of some tin vein of mud between the marble layers. However, while the chemical analysis are carried out on these samples by SGS laboratories, this superficial investigation appears irrelevant for the purposes of the this review as a matter of fact 99% of the analysed samples coming from both GLD Mine and the proposed HAM Mine show without any reasonable doubt that the content of CaCO_3 is generally higher than 98% that allow to classify this marble between the Pure Limestone and the Highly Pure Limestone.

Exploration work began in the year 2010 with 6 diamond drill holes (DDH) drilled completed at the GLD Mine and 6 DDHs at the HAM Mine by the end of 2014. Environment Management Plan for proposed quarrying activities was submitted in January 2010 while access development began in October 2012. We are informed by the management that no new exploration has been carried out between 30 September 2014 and 31 December 2015.

The following tables set out the proposed production schedules of the GLD Mine and the proposed HAM Mine, as derived from the respective pit optimisation shells. They are based on the scheduling of

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Measured and Indicated resources only. There have been no changes to the production schedule as reviewed in the 2014 IQPR.

Table I - 2 GLD Proposed Production Schedule

Tonnage (t)	2016	2017	2018	2019
Crushed stones	780,000	780,000	1,133,000	738,000
Total	780,000	780,000	1,133,000	738,000

Table I - 3 HAM Proposed Production Schedule

Tonnage (t)	2016	2017	2018	2019	2020	2021
GCC stone for sale	3,084,000	2,976,000	2,760,000	3,340,000	4,060,000	1,466,000
GCC powder feed	232,000	542,000	774,000	774,000	774,000	774,000
Total aggregates	3,316,000	3,518,000	3,534,000	4,114,000	4,834,000	2,240,000
GCC powder	216,000	504,000	720,000	720,000	720,000	720,000

The proposed production schedules were provided as a guide as there were limitations as to the volume of material that could be physically mined during each period.

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II. OPERATION REVIEW

1. Development of the Project and Status of the Assets

At GLD Mine, since the 2014 IQPR, GLD has continuous production and expansion of production scales, customer base and sales destinations.

A new quarry consultant, KenEp Consultancy & Services Sdn. Bhd. ("KenEp") has been hired by GCCP and KenEp has prepared an updated quarry plan of the GLD Mine. The Competent Person has reviewed the updated quarry plan and believes it is practicable and GCCP can quarry GLD Mine efficiently following this revised quarry plan.

Figure II - 1 Revised Quarry Plan of GLD Mine



Source: KenEp

After thorough feasibility study, the management decided not to build a PCC plant of its own but rather selling PCC grade limestone chips and lumps to both domestic and overseas clients with PCC plant. Such strategy is justified by taking into consideration the size of reserves and production capacity of GLD as well as the cost and investment of a PCC plant.

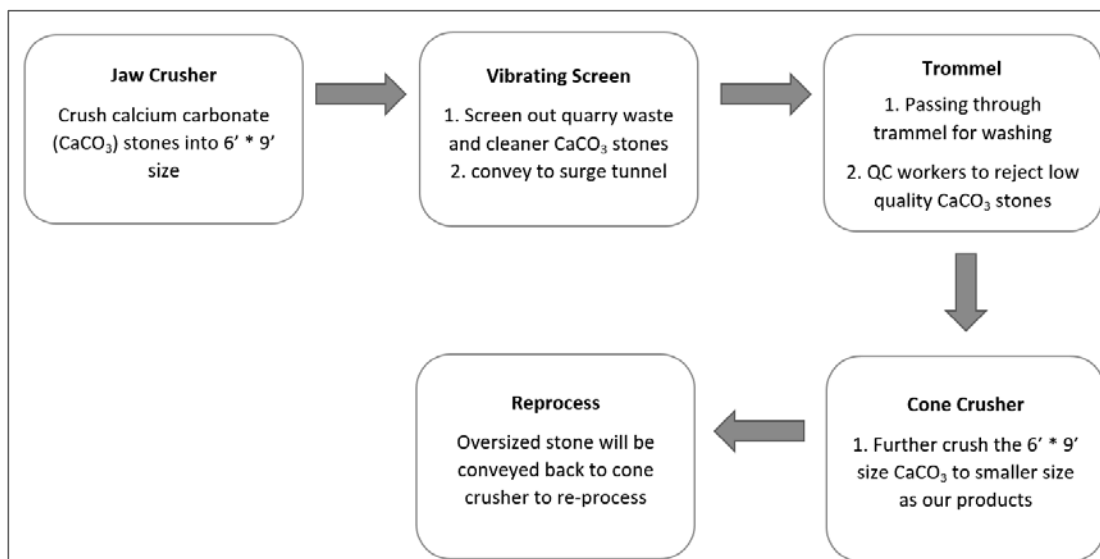
INDEPENDENT QUALIFIED PERSON'S REPORT



Figure II - 2 Operation at GLD Mine



Figure II - 3 Operation Flow Chart of Crushing Plant



Source: GCCP

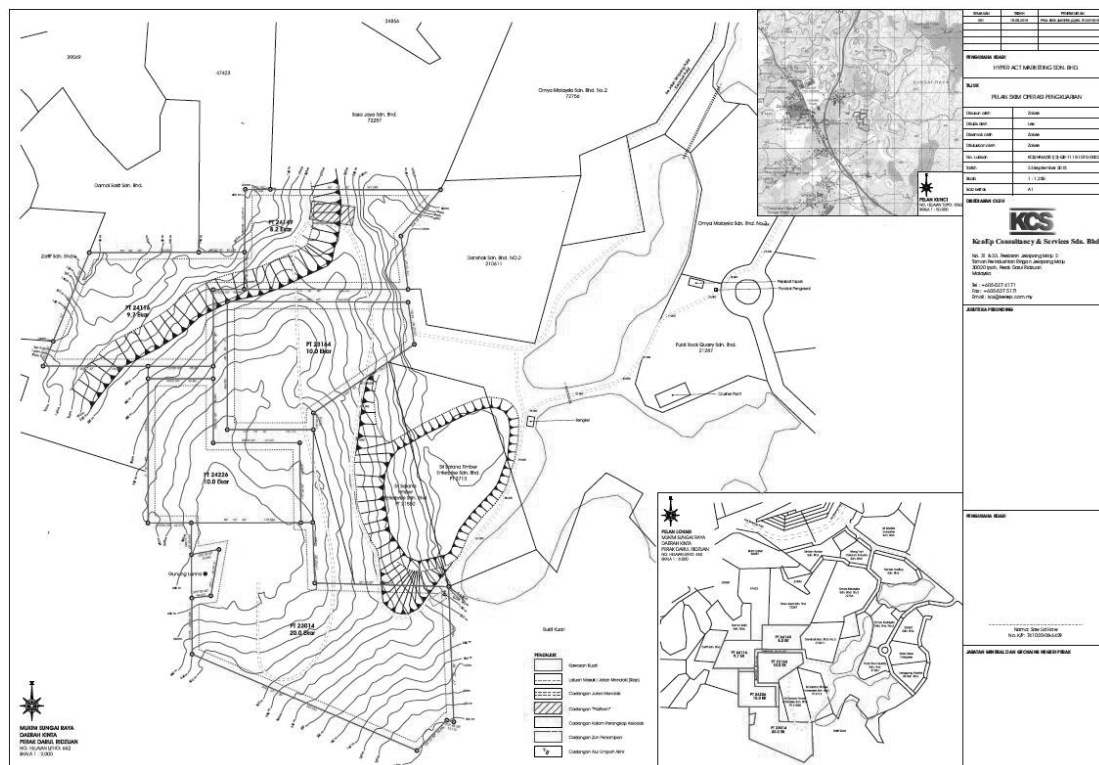
At HAM Mine, since the 2014 IQPR, the management of GCCP is making continuous efforts in developing the HAM Mine. GCCP also hired KenEp to provide professional advice to the management in developing and quarrying the HAM Mine. The Competent Person has reviewed the updated quarry plan and the believes it is practicable and GCCP can quarry HAM Mine efficiently following this revised quarry plan.

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Access road has been constructed to reach the designated heights for systematic and planned quarrying activities.

Figure II - 4 Revised Quarry Plan of HAM Mine



Source: KenEp

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Figure II - 5 Access Road at HAM Mine



During the site visit, we have inspected the HAM Mine and observed completion of installation of new crushing plants. The new crushing plant system consists of 2 crushers with the capacity of 500tph each, with a combined capacity of 1,000tph.

Figure II - 6 Crusher Installation at HAM Mine

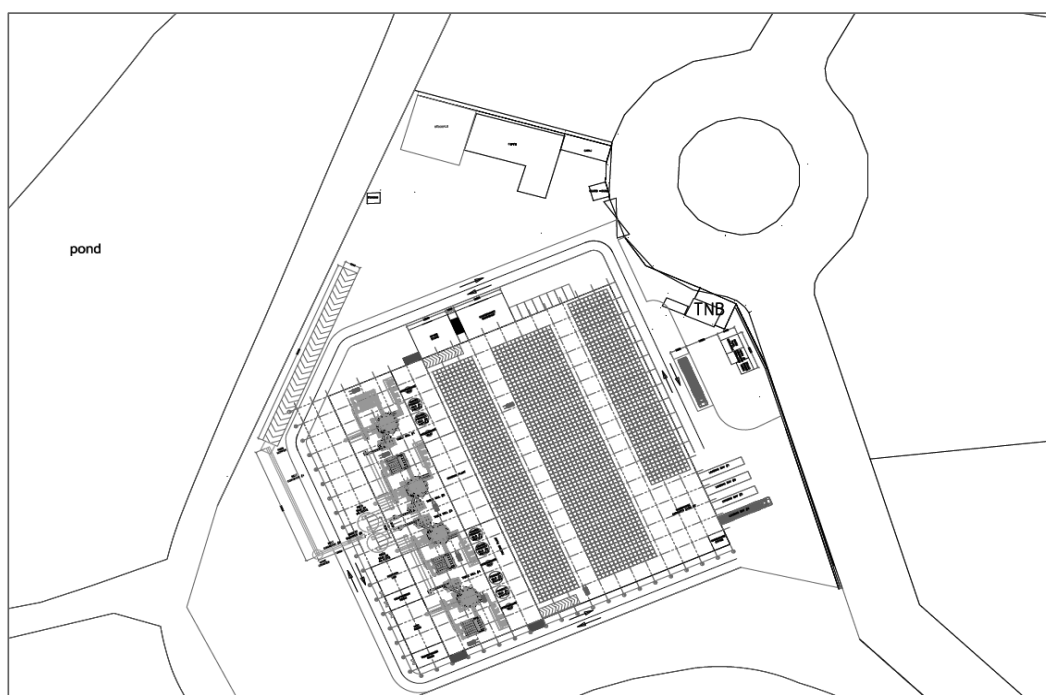


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Design of GCC powder plant is carried out and plant layout has been reviewed by the Qualified Person. The powder plant will have a capacity of approximately 20,000 t of fine powder per month.

Figure II - 7 HAM GCC Powder Plant Layout Design



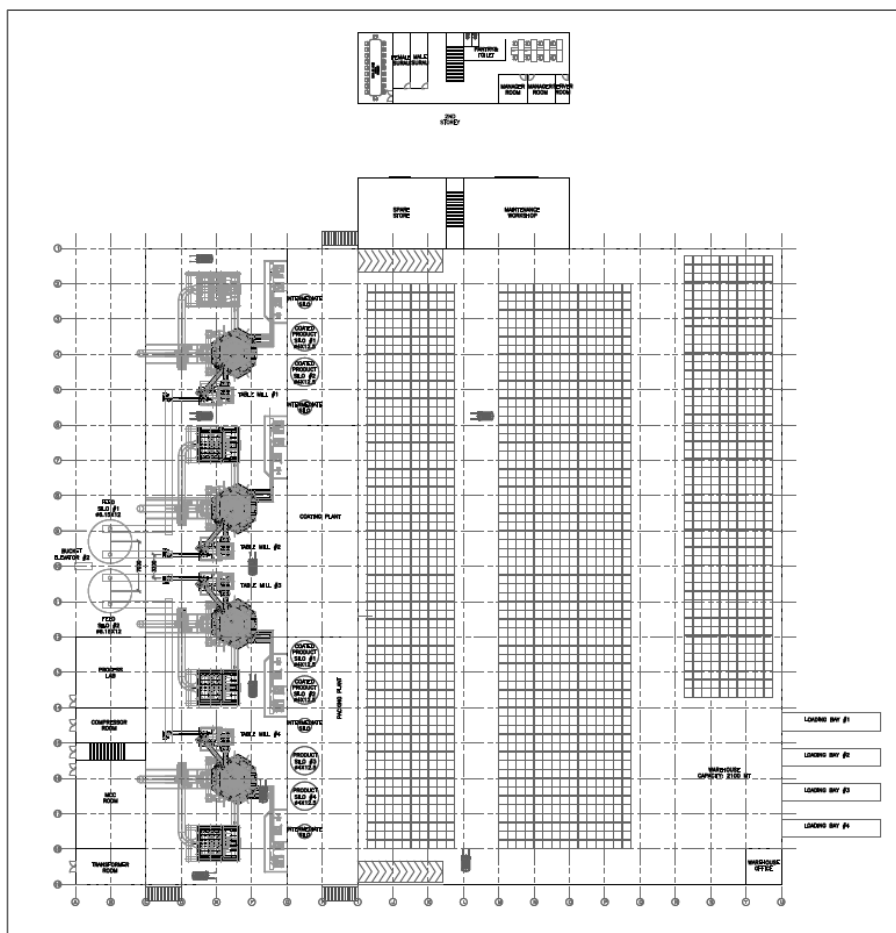
Source: GCCP

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Figure II - 8 HAM GCC Powder Plant Layout Design – 2



Source: GCCP

A complete equipment list of the powder plant is available in Appendix C of this report. Upon completion of the powder plant, a slurry plant will be planned for the second phase to produce slurry. The management will conduct additional studies to assess the implementation of the slurry plant.

HAM Mine will outsource the blasting and delivery of stones up to the primary feed hopper. GCCP will also hire approximately 17 staff for the rest of operation at the site, including operators, general workers, pickers, drivers, and weight-bridge clerk. The powder plant will hire an additional 43 personnel including managers/supervisors, packing & loading crew, logistics, warehouse, quality control, maintenance and administrative staff.

HAM Mine aims to produce both GCC grade limestone chips and lumps and GCC powder. The target production scale is set to be 90,000 t of chips and lumps per month. The target price is set to be approximately MYR 350/t for coated product, MYR 270/t for uncoated product, and MYR 50/t for GCC grade

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limestone chips and lumps.

2. Production Records and Product Sales

During the period from the time of the 2014 IQPR to the Reference Date, a total of 161,539 t of limestone has been quarried from GLD Mine. The Qualified Person has reviewed a detailed production record which is made on a month by month basis including monthly production, washed stone, finished goods and work-in-progress (in different specifications), re-crushed, loads number, operation hours and stockpiles surveyed. In addition, according to the management of GCCP, approximately 50,000 t of limestone has been quarried during the first half of 2015 but no sales were made as a result of trial production. This is considered insignificant for reserve and resource estimation update.

A total of 118,882.29 t of limestone chips and lumps has been sold from GLD Mine from July 2015 till the date of this report. The total revenue is MYR 4,881,505.88. These comprise of 55,075.00 t of oversea sales¹ (FOB LUMUT) with grade of 10-100mm, 63,579.26 t of local sales (DAP) with grade of 30-100mm and 228.03 t of local sales (excluded site) with crusher waste. Export sales are made at Lumut port by barge.

Additional tests have been carried out by SGS of each shipment. Five of such test reports are provided to GCME and the key results including average Calcium Carbonate (CaCO_3) contents and other components are summarised as follows:

Table II - 1 Sales Samples Testing Results

Sample No.	Date	CaCO_3	MgO	SiO_2
GLD/JAN/16/1	07 January 2016	98.9%	0.26	0.15
GLD/DEC/15/1	03 December 2015	98.9%	0.28	0.079
GLD/NOV/15/2	16 November 2015	98.8%	0.34	0.087
GLD/NOV/15/1	03 November 2015	98.8%	0.28	0.06
GLD/SEP/15/1	23 September 2015	98.6%	0.36	0.075

Source: Company

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¹ USD / MYR exchange rate is set at 4.20 for oversea sales revenue

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III. OPERATING LICENSES AND APPROVALS

Malaysia allows the use or occupation of the land under a title, Temporary Occupation Licence ("TOL") or by way of reservation or under a permit in the case of the extraction of rock material. Basically, alienation of land or giving of title over a piece of land by the State can only be made if the land is a State land. Section 43 of the National Land Code ("NLC") lists out persons or bodies who can apply for lands.

There are legal and administrative requirements that need to be observed in the application for rights on lands. The legal requirements are mainly laid down in the NLC. The administrative requirements usually are governed by the State Land Rules, which are formulated by the State Authority by virtue of Sections 14, 435 and 445 of the NLC. In the case of Perak, the relevant rules are the Perak Land Rules, 1966. Application for a permit to remove rock material under Section 70 is also covered under NLC.

1. Quarrying Approval Letter

To operate a quarry in Malaysia, a Quarrying Approval Letter is needed. The Quarrying Approval Letter is called the Surat Kelulusan Pengkuarian in Malaysia. The SKP is subject to annual renew through an independent quarry consultant which has been appointed by GLD and HAM. The original SKPs of GLD Mine and the HAM Mine for year 2015 are shown in Appendix A and Appendix B.

2. Land Title

The mining lease area covers a total of approximately 105 acres and has a mining elevation ranging from 50meters ("m") to 240m in the GLD area and from 100m to 400m in the HAM area.

2.1 GLD

Details of the mining lease of GLD are as follows:

No. HS. (D)	:	214917
Sub-district	:	Sungai Raya
District	:	Kinta
No. PT.	:	Lot 302283
Lot	:	9.489ha.
Land usage	:	Quarrying Industry
Period	:	30 years
Expiration date	:	28 June 2043
Owner	:	Gridland Sdn. Bhd.

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No. HS. (D)	:	258390
Sub-district	:	Sungai Raya
District	:	Kinta
No. PT.	:	Lot 302284
Lot	:	6,290m ²
Land usage	:	Quarrying Industry
Period	:	60 years
Expiration date	:	17 September 2056
Owner	:	Gridland Sdn. Bhd.

2.2 HAM

Details of the mining lease of HAM are as follows:

No. PT.	:	PT 24226
Area	:	8.8ac
Sub-district	:	Sg. Raia
District	:	Kinta
Land usage	:	Industrial
Expiration date	:	3 December 2043
Owner	:	Transfer of ownership to Hyper Act Marketing Sdn. Bhd. has been

approved by the Commissioner of Lands and Mines

No. PT.	:	PT 24116
Area	:	3.9252ha.
Sub-district	:	Sg. Raia
District	:	Kinta
Land usage	:	Industrial
Expiration date	:	14 June 2043
Owner	:	Transfer of ownership to Hyper Act Marketing Sdn. Bhd. has been

approved by the Commissioner of Lands and Mines

No. PT.	:	PT 24149
Area	:	3.3252ha.
Sub-district	:	Sg. Raia
District	:	Kinta
Land usage	:	Industrial
Expiration date	:	31 July 2043
Owner	:	Transfer of ownership to Hyper Act Marketing Sdn. Bhd. has been

approved by the Commissioner of Lands and Mines

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INDEPENDENT QUALIFIED PERSON'S REPORT



No. PT.	:	PT 23014
Area	:	80,938m ²
Sub-district	:	Sg. Raia
District	:	Kinta
Land usage	:	Industrial
Expiration date	:	6 June 2041
Owner	:	Transfer of ownership to Hyper Act Marketing Sdn. Bhd. has been approved by the Commissioner of Lands and Mines

No. PT.	:	PT 23164
Area	:	4.047ha.
Sub-district	:	Sg. Raia
District	:	Kinta
Land usage	:	Industrial
Expiration date	:	27 March 2043
Owner	:	Transfer of ownership to Hyper Act Marketing Sdn. Bhd. has been approved by the Commissioner of Lands and Mines

GCME makes no warranty or representation to GCCP in regard to the validity of the land title, the Surat Kelulusan Pengkuarian and other legal documentations in this IQPR. The IQPR does not constitute a legal due diligence of the concession.

3. Relevant Laws and Regulations

Article 74 of the Federal Constitution has specified that land is one of the subjects under the jurisdiction of the State Authority and legislative powers therefore rest with the individual States. National Land Code ("NLC"), Act of Malaysian Parliament, No. 56 of 1965, which came into operation on 1 January, 1966 is the principal land law in Peninsular Malaysia. This is the land law which has been formulated to regulate a uniform land tenure and dealing throughout Peninsular Malaysia. Several different Acts and Regulations govern the approval of quarry operations depending on location, land tenure and likely impacts.

Other than NLC, the following laws and regulations are of relevance to the rock extraction industry:

- Mining Enactment of various States;
- Perak Quarry Rules, 1992;
- Environmental Quality Act, 1974 (Act 127);
- Factories and Machinery Act, 1967 (Act 139);
- Occupational Safety and Health Act, 1993;
- Explosive Act, 1957;
- National Forestry Act, 1984 (Act 313); and
- Mineral Development Act, 1994.

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Before a quarry can be operated, an appropriate land needs to be acquired from the State. Quarrying may be carried out on lands disposed or alienated under 4 categories as listed below. The lessee or the title holder is subjected to various conditions specified by the State Authority.

- Land disposed under Section 5(1), Mining Enactment Cap. 147. Mining lease is usually issued for the purpose of mining of the relevant minerals. With the approval of the State Authority, rock materials within the mining lease whether they are in the form of outcrops or sub-surface may be extracted for industrial use;
- Land disposed under Section 42(1) (a), NLC, 1965. A lease of State land usually for a period of 30 years is issued for the purpose of rock excavation and extraction;
- Land approved under TOL. A permit to occupy and extract rock material is issued under Section 69, NLC. The NLC also provides the issuance of a special kind of TOL which is combined with a permit for the extraction and removal of rock material. The special combined licence is apparently meant, for convenience, to give the same person some other rights which could well be separately conferred on him by a TOL. In addition, this sort of combined licence may be issued for a longer period normally not exceeding a maximum of 5 years; and
- Land held under licence issued under Sections 15(1) and 16 of the National Forestry Act, 1984.

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IV. OPEX AND CAPEX REVIEW

GCME has reviewed the actual OPEX cost of the GLD Mine operation and the forecasted OPEX and CAPEX cost of the HAM Mine operation according to the new quarry plan and the new powder plant design.

Table IV - 1 GLD Mine OPEX Parameters

Item	Units	Parameter value (2014 IQPR)	New parameter value (actual)	Change (%)
Production rate	t/a	Initially 480,000	161,539 t (Production) 79,232.59 t (Sales)	N/A
Commodity price	USD/t	\$10 (MYR 33.00) Limestone chips and lumps	MYR 30.00	-10%
Royalty	USD/t	\$1 (MYR 2.50), included in mining cost	MYR 2.5	-
Mining cost	USD/t	\$5(MYR 15.00) per ROM tonnes	MYR 13.22	-12%
Processing cost	USD/t	Included in mining cost		N/A
Administration	USD/t	Included in mining cost		N/A

Note: unit price estimated based on a production level of 40,000 t per month, 8 hours per shift basis.

Source: GCCP

Table IV - 2 HAM Mine OPEX parameters

Item	Units	Parameter value (2014 IQPR)	New parameter value	Change (%)
Production rate	t/a	Initially 400,000	1,080,000t/a (90,000t/m)	N/A
Commodity price	USD/t	\$16 (MYR 53.00) Limestone chips and lumps \$152 (MYR 500) GCC powder	MYR 50 (chips and lumps) MYR 270 (uncoated powder) MYR 350 (coated powder)	-6% to -30%
Mining cost	USD/t	\$8 (MYR 25.00) per ROM tonnes	MYR 19.55 / ROM t (subcontracted)	-22%
Processing cost	USD/t	\$81 (MYR 264.25) chips and lumps to powder,	MYR 173.63/t (uncoated) MYR 231.63/t (coated)	-12.3%

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		excluding works for coated and depreciation for PP&E		
Administration	USD/t	Included in mining cost	MYR 7.93/t	N/A
Royalty	USD/t	\$1 (MYR 2.5/t), included in mining cost	MYR 2.5/t	-

Source: GCCP

Table IV - 3 HAM GCC Powder Plant CAPEX Parameters

CAPEX Items	Total (MYR)
Feed Preparation	3,523,168
Processing Plant & Equipment	39,236,607
Installation	6,762,500
Civil & Building	14,600,000
Consultant Fee	1,880,000
Other	3,507,600
Contingency (3%)	2,085,296
Total	71,595,172

Source: GCCP

In addition, the management of GCCP confirms that to their best knowledge, there are no changes in applicable taxes, liabilities and marketing for financial analysis. GCME and the QP have conducted reasonable check and find no indication of any of such changes either.

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V. MINERAL RESOURCES ESTIMATION

1. Limestone Resource/Reserve Classification and JORC Compliance

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The "JORC Code"), was prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia in September 1999 and revised in 2012. The 2012 Edition of The JORC Code becomes mandatory on 1st December 2014 and is a mineral resource/ore reserve classification system that has been widely adopted and recognised internationally. The Mineral Resources and Ore Reserves in this Updated IQPR are reported in accordance with the 2012 Edition of The JORC Code.

Mineral Resources are defined in The JORC Code as:

"a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling."

Mineral Resources can be sub-divided into Measured Resources, Indicated Resources, and Inferred Resources categories according to the level of confidence of the estimate.

- Measured Mineral Resource: part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve;
- Indicated Mineral Resource: part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological

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and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve; and

- Inferred Mineral Resource: part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

2. General Procedures and Parameters for the Resource Estimation

The drill hole or trench sampling density required to define a certain class of mineral resource depends on the mineralized body size and complexity. Geological evidence and knowledge required for the estimation of Mineral Resources include sampling data at spacing, appropriate to the geological, chemical, physical, and mineralogical complexity of the mineral occurrence; allow identifying Inferred, Indicated and Measured Mineral Resources.

The limestone deposits at the GLD mine and proposed HAM mine comprise large stratiform mineralized bodies of hundreds to thousands of meters in dimension with good continuity in both chemical composition and thickness.

The above consideration is fully validated by the results of core drillings, sample analyses and surface mapping.

2.1 Determination of Block Boundaries and Confidence Levels

Limestone deposits differ considerably from the majority of metaliferous deposits in that they are generally homogenous and isometric with respect to grade. The HAM and GLD deposits are remarkably consistent with respect to the CaO content. The average grade of 489 samples from diamond drilling is 54.28% CaO with a coefficient of variation of 0.04 and a standard deviation of 2.30. Given the uniformity of grade over the length of the drill holes (100 – 150m at GLD and 150 – 300m at HAM) it is clear that there is continuity of CaO grades along the lengths of the drill holes, and considering that the deposit is homogenous with respect to grade it is reasonable to expect that there would be similar grade continuity between the drill holes. The Mineral Resource CP has elected to constrain the measured resources to the vicinity of the drilling where continuity can be observed.

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality),

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densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques, and is sufficient to confirm geological and quality continuity between points of observation where data and samples are gathered.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.

The Measured Mineral Resources blocks of the two mines were defined below:

GLD Mine

The Measured Mineral Resource block was defined as the volume bounded by core drillings. Since the shape of this volume is very irregular it was simplified as a prism with horizontal surfaces on upper and lower limits. The upper limit is represented by a horizontal surface with elevation equal to the average starting point of the core drillings (i.e. 49.37m a.s.l.). The lower limit is a horizontal surface with elevation equal to the average depth reached by core drillings (i.e. -22.21m a.s.l.). The corners of the Measured Mineral Resource block are represented by the core drillings itself.

HAM Mine

At the proposed HAM Mine site, the geometry and locations of sampling boreholes hamper the construction of a unique tri-dimensional block representing the Measured Mineral Resource block. Measured Mineral Resource was then estimated considering the geological dataset and reliability of single core drillings. A rhomboid of Measured Mineral Resource block was built around any core, which is confined by the following surfaces, all passing through the start and end point of the single borehole: two vertical planes perpendicular to mean bedding strike, two horizontal planes and two inclined planes parallel to the main bedding of the limestone deposit (i.e. N45/50°; dip direction/dip). One of the rhomboid diagonals is represented by the track of the corresponding borehole. The layers, parallel to the confining inclined planes, represent the strata package intercepted by each drilling; the two horizontal planes represent the upper and lower elevation of the core drilling and the vertical surfaces define the maximum length investigated by the core along bedding strike.

The selected geometry for Measured Mineral Resource block accounts for a volume larger than the maximum length of directly investigated material along bedding strike. The choice is extensively justified by the tested homogeneity of the limestone deposit in all the drilled boreholes which evidences a good chemical, physical and geological continuity.

An **Indicated Mineral Resource** is that part of a Mineral Resource for which quantity, grade (or quality),

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densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

The Indicated Mineral Resource blocks in the 2 mines were defined as the volume located in the prolongation of the Measured Mineral Resource blocks along the strike of the mean bedding surfaces that is N45/50° and N110/45° (dip direction/dip) in GLD and HAM respectively.

The choice is justified by the nature, quality, amount and distribution of core drillings and surface sampling which allow confident interpretation of the geological framework and to assume continuity of mineralisation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

An **Inferred Mineral Resource** is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling.

Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and, according to JORC code, must not be converted to an Ore Reserve.

At the GLD Mine and the proposed HAM Mine, the Inferred Mineral Resource was defined as the volume not directly or indirectly checked by boreholes or surficial sampling.

Due to the good geological continuity in the Ipoh limestone deposit, it is reasonable to expect that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with further exploration.

The resource estimation in GLD and HAM areas was limited at a depth of -70m below the local erosion surfaces (42.0m a.s.l. and 59.9 m a.s.l. at the GLD Mine and the proposed HAM Mine, respectively) corresponding to -22.2m a.s.l. and -10.1m a.s.l. at the GLD Mine and the proposed HAM Mine, respectively.

The parallel section method, a polygonal method based on projected cross sections, was used for the limestone resource estimation of the GLD Mine and the proposed HAM Mine. Mineral Resource estimation

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was made on cross sections and plans with drilling and sampling information on the CAD drawings.

2.2 Limestone Resource Estimation

In the limestone resource estimation process, the corresponding two-dimensional blocks on two neighbouring parallel cross sections were used to define a three-dimensional block. The area of the three-dimensional block (S) was calculated from the areas of the two-dimensional blocks on cross sections (S1 and S2), which were measured by computer from AutoCAD drawings. When the area difference for the two blocks on cross sections was less than 40%, the following trapezoid formula was used for the three-dimensional block sectional area calculation:

$$S = \frac{S_1 + S_2}{2}$$

When the area difference for the two blocks on cross sections was more than 40%, the following frustum formula was used for the three-dimensional block sectional area calculation:

$$S = \frac{S_1 + S_2 + \sqrt{S_1 \times S_2}}{3}$$

When a block on a cross section pinches out, the three-dimensional block sectional area was half the two-dimensional block area if the block pinches out to a line or one third of the two-dimensional block area if the block pinches out to a point.

The volume of the three-dimensional block was determined by multiplying the sectional area (S) by the distance (L) between the two sections. The volume of the mineralized body and deposit were based on the sum of the block volumes.

Volumes occupied by the karst cavities and schist layers were subtracted from the limestone volume estimation based on an average cavities and not carbonate material percentage of approximately 2% determined from the analysis of 12 existing drill holes.

3. Recent Survey

A recent survey has been carried out by a professional surveyor company called S Tri Survey (the "Surveyor") at both GLD Mine and HAM Mine. Survey results are presented by the mean of a Volume Report for each of the mines.

For GLD Mine, volume calculation is limited to that within the boundary constrained by the license Object 11027. Area within boundary is 102,380.21 square meter (m²) or 10.2380 hectare (ha). Total

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triangulated area is 102,380.21m² or 10.2380ha.

For HAM Mine, volume calculation is limited to that within the boundary constrained by the license Object 31257. Area within boundary is 245,959.93 square meter (m²) or 24.5960 hectare (ha). Total triangulated area is 245,959.92m² or 24.5960ha.

As informed by the management, the site survey for GLD and HAM was carried on 31 December 2015 and 12 December respectively. The survey results for GLD and HAM was reported on 25 February 2016 and 19 February 2015, respectively. It is confirmed by the management of GCCP that there is no material changes at HAM from the date of the site survey and the Reference Date.

Table V - 1 Result of Recent Survey

Subject	Volume (m ³)	Density	Tonnage (t)
GLD Mine			
Volume above datum	9,782,036.27	2.7	26,411,497.93
Volume sub surface	7,166,616.10	2.7	19,349,863.47
HAM Mine			
Volume above datum	50,998,221.82	2.7	137,695,198.90
Volume sub surface	17,217,195.10	2.7	46,486,426.77

Note: Datum is at 41.8m for GLD Mine and 59.90m for HAM Mine

Preparatory operations and limestone production occurred in GLD since 2014 resulted in a depletion of the Limestone Resource. Production focused exclusively in the Indicated Resource block. According to the calculation of excavated material carried on by Surveyor, on the basis of different aerial photogrammetry surveys between 30 September 2014 and 31 December 2015, the excavated material in GLD sums to 75,045 m³.

The estimates of each category of Mineral Resource under the JORC Code as at 31 December 2015 for the GLD Mine are summarised in the tables below. These calculations are exactly the same as previous estimation with the exception of the Indicated Resource Block that experienced a depletion of 75,045 m³ or 161,539 t up to December 2015 due to recent production within the period and some lower quality stone were treated as back-fill materials for site development.

4. Statement of Mineral Resources of GLD

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The Mineral Resource estimates of the GLD Mine under the JORC Code as at 31 December, 2015 are summarised in table below in both in million cubic meters ("Mm³") and million metric tonnes ("Mt"). The conversion from cubic meters to tonnes was achieved by applying an average bulk density of 2.7 tonne per cubic meter ("t/m³").

CaCO₃ grade was estimated from geological dataset averaging 98.2%. The remaining components are represented by MgO (0.44%), SiO₂ (0.19%), and Fe₂O₃ + Al₂O₃ (0.12%) which are not detrimental for the production of both GCC and PCC.

Table V - 2 Measured Mineral Resource of GLD Mine (rounded)

Cross section (N°)	Resource area on a cross section (m ²)	Distance between adjacent cross sections	Block volume between two adjacent sections (m ³)
1	0	0	0
2	0	79.01	170,000
3	6,280.2	50	350,000
3bis	7,868.4	50	170,000
4	462.1	12.87	3,000
Total Volume (m ³)			520,000*

* discrepancies in total may occur due to rounding

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Table V - 3 Indicated Mineral Resource of GLD Mine (rounded)

Cross section (N°)	Resource area on a cross section (m ²)	Distance between adjacent cross sections	Block volume between two adjacent sections (m ³)
0		55.86	430,000
1	15,243.4	100	2,300,000
2	32,411.3	100	3,400,000
3	35,067	100	2,400,000
4	14,439.1	56.08	400,000
Total Volume (m ³) at 30 September 2014			8,900,000*
Resource depletion up to 31 December 2015			75,000
Total Volume (m ³)			8,800,000

* discrepancies in total may occur due to rounding

Table V - 4 Inferred Mineral Resource of GLD Mine (rounded)

Cross section (N°)	Resource area on a cross section (m ²)	Distance between adjacent cross sections	Block volume between two adjacent sections (m ³)
0		55.86	36,000
1	1,294.5	100	960,000
2	17,976.5	100	2,700,000
3	36,171.5	100	2,500,000
4	15,055.9	56.1	420,000
Total Volume (m ³)			6,600,000*

* discrepancies in total may occur due to rounding

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Table V - 5 Mineral Resource Estimation of GLD Mine as at 31 December 2015

	Total limestone volume (Mm ³)	Bulk dry density (t/m ³)	Total limestone tonnage (Mt)	CaCO ₃ Grade (%)	CaCO ₃ Tonnage (Mt)
Measured Resource	0.5	2.7	1.4	98	1.4
Indicated Resource	8.8	2.7	24	98	23
Total (Mea. + Ind.)	9.3	2.7	25	98	25
Inferred Resource	7	2.7	20	98	20
Total	16	2.7	43	98	42

Note: Total may appear to be inconsistent due to appropriate rounding

^This limestone resource statement of GLD Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2015. Mr. Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The limestone resource estimates are inclusive of limestone mineralisation comprising the calcium carbonate reserves. The Measured and Indicated Mineral Resources can be used for limestone Ore Reserve estimation and mine planning.

The above estimated volumes were then decreased of 2% to account for cavities and not carbonate material encountered in the core drillings.

5. Statement of Mineral Resources of HAM

The Mineral Resource estimates of the HAM Mine under the JORC Code as at 31 December, 2015 are summarised in the table below in both Mm³ and Mt. The conversion from cubic meters to tonnes was achieved by applying an average bulk density of 2.7t/m³.

The limestone resource estimates are inclusive of limestone mineralization comprising the calcium carbonate reserves. The Measured and Indicated Mineral Resources can be used for limestone Ore Reserve estimation and mine planning.

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Table V - 6 Mineral Resource Estimation of HAM Mine as at 31 December 2015

	Total limestone volume (Mm ³)	Bulk dry density (t/m ³)	Total limestone tonnage (Mt)	CaCO ₃ Grade (%)	CaCO ₃ Tonnage (Mt)
Measured Resource	17	2.7	47	96	45
Indicated Resource	44	2.7	120	96	110
Total (Mea. + Ind.)	61	2.7	160	96	160
Inferred Resource	4	2.7	10	96	10
Total	66	2.7	180	96	170

Note: Total may appear to be inconsistent due to appropriate rounding

^This limestone resource statement of HAM Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2015. Mr. Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

CaCO₃ grade was estimated from geological dataset averaging 96.1%. The remaining 3.9% of other components are represented by MgO (2.0%), SiO₂ (0.15%), and Fe₂O₃ + Al₂O₃ (0.14%) are not detrimental for the production of both CGC and PCC.

The above estimated volumes were then decreased of 2% to account for cavities and not carbonate material encountered in the core drillings.

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VI. ORE RESERVES ESTIMATION

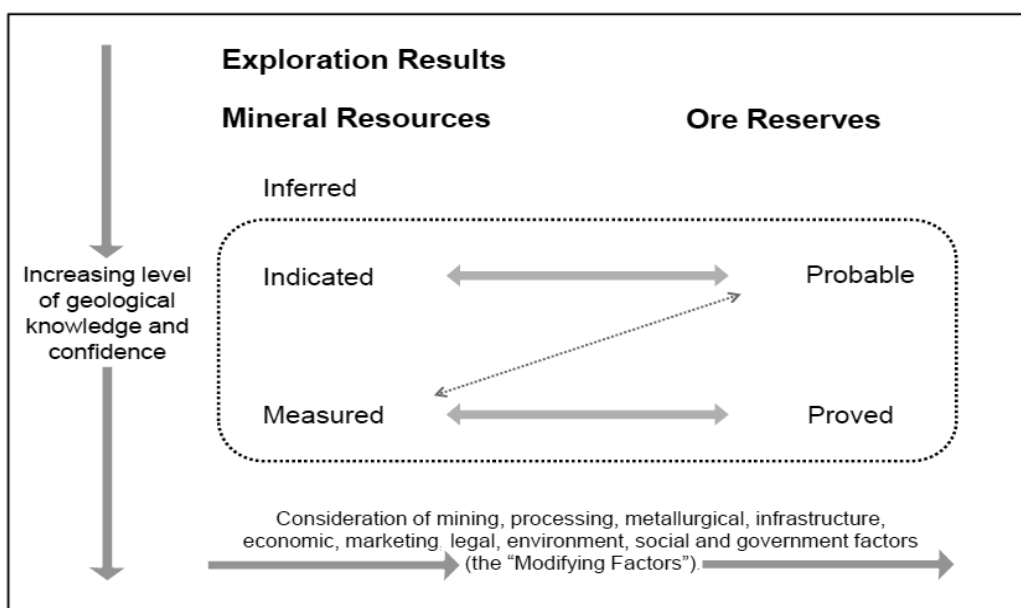
Ore Reserves are defined in The JORC Code as:

“the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.”

Ore Reserves can be sub-divided into Proved Ore Reserves and Probable Ore Reserves categories.

- Proved Ore Reserve: the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors; and
- Probable Ore Reserve: the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

Figure VI - 1 The JORC Code Schematic Mineral Resources and their Conversion to Ore Reserves



Source: The JORC Code

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Generally, ore reserves are quoted as comprising part of the total mineral resource rather than the mineral resources being additional to the ore reserves quoted. The JORC Code (2012) allows for either procedure, provided the system adopted is clearly specified.

The limestone deposit reviewed is an industrial mineral being considered primarily for PCC and GCC production. Physical properties, such as colour, brightness, yellowness, CaO content, and MgO content are the most important parameters for limestone quality. Samples are collected at 10m intervals from the drill core recovered from the drill holes and possibly from surface trenches.

The limestone resource and possibly reserves are typically reported as its weight in units of tonne as it is the unit of measure as to how industrial minerals are sold.

For the calcium carbonate resources and reserves, mining dilution factors are not relevant, but the mining recovery factor is very important and is sometimes difficult to determine accurately in early stage projects.

1. Statement of Ore Reserves contained within the GLD Project permits

The Ore Reserves for the GLD mine were estimated as part of the 2014 IQPR and for the purpose of supporting the listing GCCP on the Singapore Stock Exchange. The Ore Reserves were estimated and reported in accordance with the JORC Code. Since that time, reported production from the GLD mine has totalled 161,539 t representing 3.8% of the total Ore Reserves. The depleted Probable Ore Reserves are therefore 4.22 Mt or 4.2 Mt when rounded in accordance with the JORC Code.

Table VI - 1 Ore Reserve Statement of GLD Project as at 31 December 2015

Category	Mineral Type	Tonnes(Mt)	Grade %	Change from previous	
				t	%
Probable	Limestone	4.2	98.2	-161,539	-3.8
Total	Limestone	4.2	98.2	-161,539	-3.8

Note: Totals may appear to be inconsistent due to appropriate rounding.

The Ore Reserve statements referred to in this report have been compiled by Dr. John Chisholm and is accurate as at 31 December, 2015. Dr. John Chisholm is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

2. Statement of Ore Reserves contained within the HAM Project permits

No production has been reported for the HAM Project since the previous Ore Reserve Statement dated 30 September 2014.

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Table VI - 2 Ore Reserve Statement of HAM Project as at 30 December 2015

Category	Mineral Type	Tonnes(Mt)	Grade %	Change from previous	
				t	%
Proved	Limestone	2.2	96.1	-0	-0
Probable	Limestone	19.7	96.1	-0	-0
Total	Limestone	22.0	96.1	-0	-0

Note: Totals may appear to be inconsistent due to appropriate rounding.

The Ore Reserve statements referred to in this report have been compiled by Dr. John Chisholm and is accurate as at 31 December, 2015. Dr. John Chisholm is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

3. Notes relating to the GLD Ore Reserves

- Pre-Feasibility Study of the Litmus Project, Perak State, Federation of Malaysia, prepared by Dr. John M. Chisholm and Mr. Roselt Croeser of Continental Resource Management Pty Ltd. dated 10 October 2014 has been referenced to in estimating Ore Reserves of GLD Mine and HAM Mine.
- The mine reports production on a daily basis which is summarised to monthly production figures. This data was provided for the year 15 January 2015 to 15 December 2015.
- Production for the period 30 September 2014 to 15 January 2015 was estimated on the basis of monthly production during 2015. It is the Qualified Person's opinion that minor discrepancies relating to the estimated production for the period 30 September 2014 to 15 January 2015 are insignificant in terms of the rounding of the Ore Reserves.
- Subsequent to the September 2014 Ore Reserve Statement there have been no material changes to the royalty, mining, processing or marketing parameters which would affect the results of an updated pit optimisation study.
- In accordance with the JORC Code only Measured and Indicated Mineral Resources were included in the conversion to Ore Reserves within the optimised pit outlines as at September, 2014.
- A total of 22 Mt of Measured and Indicated Mineral Resources remain exclusive of the Ore Reserves.
- No new exploration has been completed to enable promotion of the Inferred Mineral Resources to the higher categories and subsequent conversion to Ore Reserve status. The Inferred Mineral Resources remain at 20 Mt with a contained 20 Mt of CaO₃.

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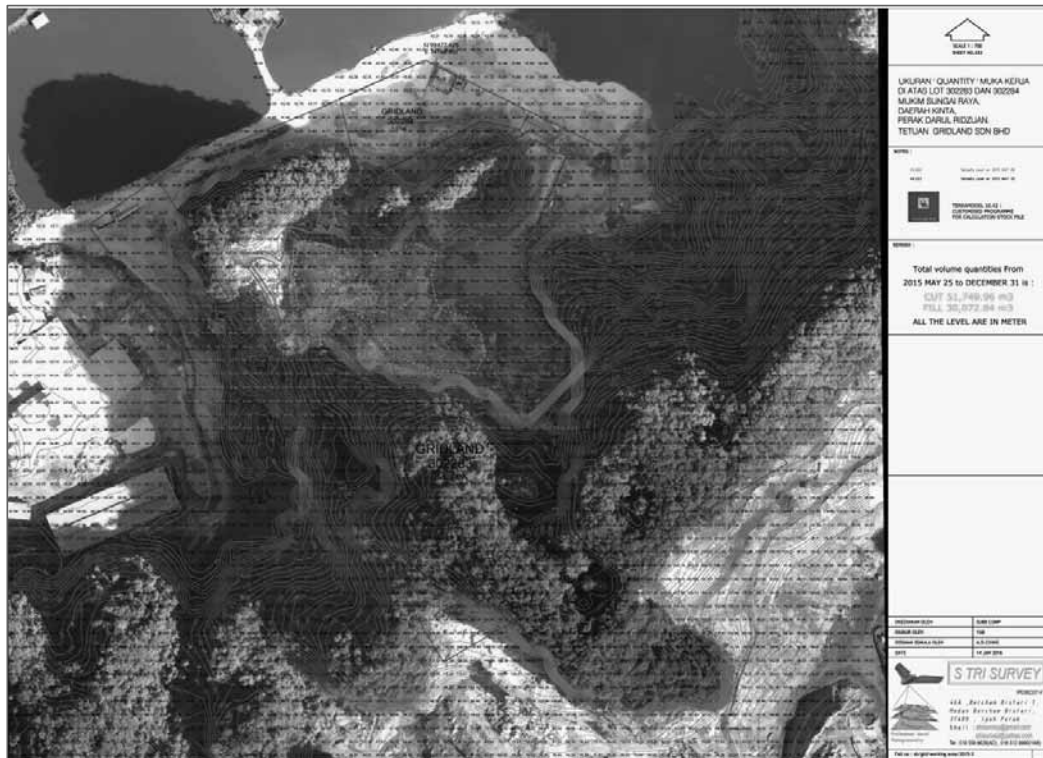
- A global CaCO_3 grade was applied to all of the Mineral Resources and Ore Reserves and hence the grade of the depleted ore does not impact on the grade of the remaining ore in the updated Ore Reserve Statement.
- The original Mineral Resources and Ore Reserves were constrained by the outer boundary of permits Pajakan Negeri (PN) No. 258390 Lot 302284 and Suratan Hakmilik Sementara H.S.(D) 214917 Lot 302283. More recently GCCP has acquired certain rights to the adjacent Temporary Occupancy License permit Lesen Pendudukan Sementara (LMS) No. 1503000209.
- Current limestone prices are used in Ore Reserve estimation. Reduction in commodity price is accompanied by similar percentage reduction in OPEX, which significantly reduce the impact on profitability and the profit margin remains stable. With an extremely long mining life, the QP believes the short term price fluctuation will not have a significant impact on the long term economic viability of the Project and the impact on reserve estimation is minimal.

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Figure VI - 2 GLD Project Permits



Source: S Tri Survey

- In the event that mining is permitted on Lesen Pendudukan Sementara (LMS) No. 1503000209 it would significantly increase the Ore Reserve inventory. It is however, not recommended that limestone located within Lesen Pendudukan Sementara (LMS) No. 1503000209 be included within any new pit optimisation studies until rights of tenure are secured.

4. Notes relating to the HAM Ore Reserves

- There has been no production from the HAM Mine since the previous Ore Reserve Statement in September 2014.
- Subsequent to the September 2014 Ore Reserve Statement there have been material changes to the proposed mining, processing and marketing parameters which would affect the results of a financial model based on an updated pit optimisation study.
- In the event of an updated pit optimisation study, the proposed changes to the mining, processing and marketing parameters will not have a material effect on the pit shells as the original study used a limestone price for chips and lumps rather than coated powder. At the HAM Project the shape of the pit shells is controlled by a combination of topography and Mineral Resource classification rather than

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the estimate price of coated powder product.

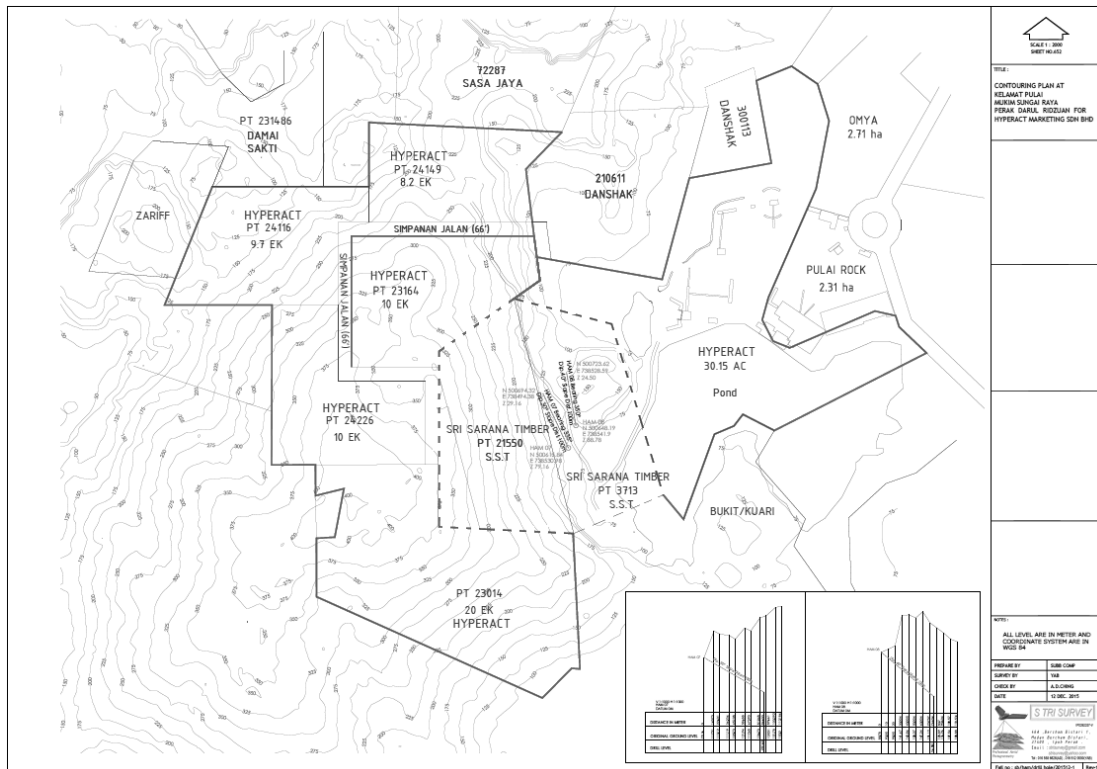
- In accordance with the JORC Code, only Measured and Indicated Mineral Resources were included in the conversion to Ore Reserves within the optimised pit outlines as at September, 2014.
- A total of 140 Mt of Measured and Indicated Mineral Resources remain exclusive of the Ore Reserves.
- No new exploration has been completed to enable promotion of the 10 Mt of Inferred Mineral Resources to the higher categories and subsequent conversion to Ore Reserve status.
- Subsequent to the previous Ore Reserve Statement, GCCP is in the midst of acquiring the rights to two additional permits referred to as the SS Project permits. These include Pulai Rock PT 3713 and Pulai Rock PT 21550, coloured yellow in Figure VI - 3.
- Some drill holes are currently in progress on the SS permits which may permit Mineral Resources to be estimated.
- The inclusion of the SS Project permits and the attached rights to mine, has the potential to significantly increase the HAM Ore Reserves. The original HAM Ore Reserves were constrained by the boundaries of the HAM permits which because of their irregular shape severely constrained the shape of the optimised pits. Removing this constraint will allow much larger pits to be developed.
- It is recommended that updated pit optimisation studied be deferred until the results of the current drilling on SS are known and this data be incorporated with the HAM data.
- Subsequent pit optimisation should include both HAM and SS permits and incorporate the more recent mining, processing costs and estimated sales prices for coated powder product.
- Current limestone prices are used in Ore Reserve estimation. Reduction in commodity price is accompanied by similar percentage reduction in OPEX, which significantly reduce the impact on profitability and the profit margin remains stable. With an extremely long mining life, the QP believes the short term price fluctuation will not have a significant impact on the long term economic viability of the Project and the impact on reserve estimation is minimal.

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Figure VI - 3 HAM Project permits (red) and SS Project permits (yellow)



Source: S Tri Survey

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VII. ENVIRONMENTAL, HEALTH, SAFETY AND SOCIAL

1. Mining Legislations in Perak, Malaysia

The primary legislations that govern mining related activities are the following:

- Mineral Development Act (1994);
- State Mineral Enactment ("SME") of Perak (2003); and
- National Mineral Policy (2009).

The Mineral Development Act (MDA) delineates the powers of the Federal Government on matters pertaining to the inspection and regulation of mineral exploration, mining and other related issues. The legislation is enforced by the Department of Minerals and Geoscience of Malaysia.

Each State has its own legislation to govern mining activities within its jurisdiction. Altogether, there are currently 10 states that have promulgated and gazetted their respective SMEs. These SMEs are based on a model template created pursuant to the National Mineral Policy (NMP).

To enhance the contribution of the mineral sector to the development of the nation, the Malaysian Government formulated the National Mineral Policy (NMP) in January 2009. NMP seeks, among others things, to ensure the sustainable development and optimum utilisation of mineral resources and to enhance the nation's mineral sector competitiveness and advancement in the global area.

The Ministry of Natural Resources and Environment (NRE) is responsible to oversee the Malaysian mining industry. However, as mining activities involve land which is a State related matter, the respective States have the power to approve mining applications in consultation with federal agencies like the Department of Minerals and Geoscience and the Department of Environment. Other relevant mineral rules in Malaysia include:

- National Land Code (July 1992);
- Perak Quarry Rules (1992);
- Factories and Machinery Act (1967);
- Explosive Act (1957); and
- National Forestry Act (1984)

2. Environmental Legislations in Malaysia

The primary environmental legislation in Malaysia is the Environmental Quality Act (1974) which shall apply to the whole Malaysia.

In Section 34(A), it states that "any person intending to carry out any of the prescribed activities shall, before any approval for the carrying out of such activity is granted by the relevant approving authority, submit a report to the Director General. The report shall be in accordance with the guidelines prescribed by the

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Director General and shall contain an assessment of the impact such activity will have or is likely to have on the environment and the proposed measures that shall be undertaken to prevent, reduce or control the adverse impact on the environment."

Some form of Environmental Impact Assessment ("EIA") study has long been employed in the planning process of extractive industries in Malaysia. However, with the implementation of the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987, the submission of "standard" EIA report becomes mandatory for all major development projects applications in the country. A proposed quarrying operation within 3km of any existing residential, commercial or industrial areas is one of the prescribed activities that falls within the Environmental Quality Order.

The necessity of employing some form of EIA in some major development planning has long been recognized in Malaysia. EIA is used in Malaysia as a tool to integrate environmental considerations into project planning (DOE, 1988). Hence, when integrated into the existing planning and decision making machinery, EIA will provide additional information for better decision making.

The considerable impact of these extraction activities on the environment, whether by opencast mining or quarrying, has to be acknowledged. In particular, the disposal of the processing waste can pose a serious problem, at least in certain areas.

Resistance to extractive activities on environmental grounds is increasing in recent years, as there is to most proposals for large scale industrial development. However, it is envisaged that the planning and the authorization procedures are able to take full account of environmental issues, at least for now, to enable a fair balance to be struck between the impact on the local environment and national economic needs. Nevertheless, serious effort must be initiated to set up some mechanism in ensuring that such activities may always effectively be controlled at all stages and levels of their operations.

3. Environmental Impact and Mitigation Measures Implemented

Almost all activities which are carried out on the surface of the earth will affect the environment. The impacts could be to varying degrees either positive or negative. Where the environmental effects are considered unacceptable, it is then necessary to institute mitigation measures. In EIA, abatement, more frequently referred to as mitigation is an important process where the aim is to eliminate all the negative impacts completely. However, if it is not possible to eliminate them completely, the other option then is to reduce the intensity of the undesirable elements of the impact to a certain level considered to be acceptable by the Statutory Authorities. This is the basis of the ALARA principle, where the acronym refers to "as low as reasonably achievable". Mitigation measures can be carried out either through engineering, innovation or through management practices. Cost benefit elements are considered in the evaluation of the alternatives.

3.1 GLD Mine

The adverse effects of quarrying operations can be significant if proper control is not exercised

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throughout the daily operation in any area of the quarry site. The operator will observe all regulations and instructions as given by the relevant government bodies and do its utmost to operate in a workmanlike, safe and environmental acceptable manner in order to avoid adverse public impact. Thus mitigation measures to reduce the intensity of the impacts, typically arising from the quarrying and blasting operations such as vibration, noise, dust and fly rock will be carried out without compromise. In addition, surface run off resulting from precipitation within the benching operation will be guided to flow into sediment settling ponds before entering the local drainage system which ultimately feeds into Sg. Sengat.

3.1.1 Erosion Control

Soil erosion is minimal in this proposed quarry as the percentage of soil is very low in comparison with rock content. Much of the overburden will be removed for land filling purposes. Hence no soil-traps are proposed as existing pond on PT 20322 can act as recipient of any sediment loading in run off.

3.1.2 Vibration

It can be safely assumed that blast vibration will not be a problem. This is because the nearest off lease structure is more than 300 metres away and the charge masses per delay in the blast designs are such as to predict minimal vibration levels at the lease boundaries. Blast monitoring at Kek Lok Tong has been conducted regularly and it was found that blasting at this quarry over the past year has not affected the temple in any way. This is because the damage criterion for blast vibration starts at 50 mm per second peak particle velocity, whereas the detected levels at the temple were less than 5 mm due to GLD blasts. If the temple were to be affected, it is most likely that such effects would be due to regular blasting practices carried out by quarries in Chandan Desa.

3.1.3 Airblast and Noise

In quarry operation noise can generate from drilling and blasting operation, crushing and traffic. Drilling, crushing and traffic will generate prolonged and ongoing noise while the noise generated from blasting is instantaneous, of short duration and referred to as airblast. Continuous noise is measured in decibels, dBA, or as a noise dose over a period of time, I_{eq} ; airblast is measured in linear weighted decibels, bDI.

The quarry is in a non-sensitive area in that the nearest residential houses are more than 500 metres from the mine gate. Hence noise and airblast are highly unlikely to be significant if properly controlled during each blast. The normally accepted threshold airblast level is 120 dBI, which would be highly unlikely to be attained considering the relatively low charge masses of explosive per delay and the distances to the nearest habitation.

Airblast can be controlled and reduced to an acceptable level by adopting the following:

- Detonating cord will not be used as the trunk-line
- Initiation will be from bottom of blast hole.
- Stemming column to be sufficient, at least 30 times the diameter of the blast hole.
- Quarry fines to be used as stemming material.

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Blast vibration, similarly, is highly unlikely to be significant, due to the relatively small tonnages of rock broken per blast, the low charge mass per explosive delay and the extended distances involved to the quarry gate. Calculations of likely blast vibration using the scaled distance method (SD), all predicted vibration levels below the threshold at the measuring point, indicating that charge masses could be increased if larger blasts become necessary in the future. It is therefore likely that the operating criterion of not more than 5 mm per second peak particle velocity at the quarry gate will not be exceeded.

3.1.4 Flyrock

At the initial stage of developing the proposed access up the hill, flyrock occurrence may occur sometimes due to the difficulty to fully stem stripping blastholes. It can be caused by a number of factors and it is not always possible for the shot-firer to ensure that no flyrock will occur in a blast. Because of this, development blasts are taken as a potentially hazardous and all personnel in the blast area are cleared whenever a blast is fired. A safe working procedure for this is on file.

The management and shot-firer adopt the following procedures to avoid occurrence of fly rock:

- Use adequate ring burden according to the rock face profile. Avoid top priming of blast hole;
- Quarry fines to be used as stemming material. The stemming column will not be less than the burden or 30 times the blast hole diameter;
- Overcharging of holes is to be checked; and
- Avoid secondary blasting. If it needs to be carried out, the blast hole shall be drilled at the centre of the boulder and the correct charge to be used.

3.1.5 Dust

The proposed quarry is sited away from any residential houses, as previously mentioned, and therefore dust if generated will be settled within the Sengat Quarry Zone. It is worth noting that the limestone has a very low silica content, at approximately 0.2% (Maerz, 2012) and therefore represents little or no respirable dust hazard. The dust hazard is therefore related to its nuisance value only.

The main sources of nuisance dust in the quarry are from:

- Drilling operation;
- Blasting operation;
- Crushing and screening operation; and
- Movement of mobile plant.

Dust emissions from drilling

Where possible, use of a hydraulic crawler drill which is provided with a dust collector. However, there is very little airborne dust generating from this operation as the rock cuttings, due to their high abrasion rating, are mostly chips which will collect around the crawler-drill. The little dust that is airborne will still settle inside the Sengat Quarry Zone. To reduce any potential health hazard, the drillers are provided with dust masks, where work is carried out with pneumatic drills, for which there are no enclosed working cabs.

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Dust emissions from blasting

The rock mass at the blast will be fragmented under extremely high pressure at the time of detonation creating considerable dust over a short duration. One effective method to suppress this dust is to wet the anticipated area before the blast, though often this is not practicable. In normal circumstances the dust will settle within a short period or at worst, where settlement is extended in time, inside the Sengat Quarry Zone.

Dust emissions from crushing and screening

Dust created by this operation is only significant in the plant itself and its immediate surrounding area. As such every worker working in this vicinity is supplied with a dust mask. To suppress the dust in these areas, water sprays are used at all rock transfer points and roadways are watered down on a regular basis. On each case that the area was inspected, we found that the dust control measures and adherence to hazard prevention measures were being followed.

Dust emissions from transportation

The operator employs water truck to continuously water the haulage roads. In addition, trucks loaded with material and leaving the quarry have their wheels cleaned in a drive-through wash-bay as required.

3.1.6 Monitoring stations

The monitoring stations while blasting is in progress are at the entrance to the proposed quarry site near Anting Quarry Office fronting Taman Chandan Desa situated about 1,100m away or at NSL Chemicals' Lime Plant situated at 350m away. Kek Lok Tong temple is the latest monitoring station, which is more than 1,100 metres from any GLD quarry blast.

3.1.7 Vibration and airblast limits

As the proposed quarry is far away from any residential area or kampong, local consultants (Loh Consultants) have suggested that permissible levels for vibration and airblast be fixed at 5.0mm/sec and 125.0dBI respectively. It is our view that these levels are adequate and are very unlikely to be exceeded.

3.1.8 Blast Monitoring

It will be supervised by En. Abdullah Sidek, Mr. Liam Chung Hay and Mr. Steve Zhen Xiong Loh.

3.2 HAM Mine

3.2.1 Dumping area and water drainage

Rock extracted from the quarry faces will be transported to the 25-acre site at the base of the haulage ramp. There will not be much overburden dumping as most of it will be reused as fill, either in the access ramp itself, or in expanding the working area at the base of the ramp. Based on observations during site visit, the direction of water flow is expected to be heading east towards the pond on the 25-acre land, where adequate sediment entrapment can occur, and subsequently into Sg. Raia. The quarry operator will ensure that water leaving the quarry area will always be adequately free of sediment. No toxic or heavy metals are known to be present in the mined rock (Maerz, 2012).

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3.2.2 Waste management

Diesel and lubricants used by plant in the quarry will need proper and safe handling to prevent spillage which will pollute both the surface and underground water of the quarry. Used oils will be stored in special containers and kept in a store prior to being disposed of or sold to outside buyers. Overburden materials and waste rock, if any, will be used for access road maintenance and rehabilitation purposes during the development stage of the quarry. Any remaining waste will be dumped onto a predetermined dumping site for future use.

Additional steps taken by the management to avoid pollution by fuel oils include:

- All fuel oil containers will be handled with care, whether filled or empty;
- All fuels and lubricants will be stored in specially designed containers;
- All fuel oil containers be placed far away from any water source;
- Walls surrounding the storage area should be built with waterproof materials such as concrete or cement;
- The walls surrounding the diesel tank should be 1.25 times the load of the tank; and
- Any release from the tank area will be through proper oil filters.

3.2.3 Silt trap

The lease area includes extensive ponds which can serve as silt traps and the need to accommodate higher volumes of water run off during the rainy season will be manageable.

De-silting will be carried out from time to time in the silt traps to ensure they always have the capacity for adequate settlement and additional water from the quarry. Final outflow of clean water from the silt traps will be through the existing drainage systems.

The drainage channels will be widened if required and maintained properly to prevent blockages. The top section of the silt traps will be surrounded by bunds with a minimum height of 0.5m and planted with trees for greening purposes.

4. Storage land and quarry water disposal

The GLD mine is operating currently and water management (particularly sediment loading in water runoff) practices have been approved by the relevant authorities upon obtaining the SKP. The water runoff is collected in two water storage areas located immediately to the north of the GLD mine. These water storage areas are remnants of open pits from previous alluvial tin mining operations. A similar system is planned to be used at the HAM Mine where water filled pits from previous alluvial tin mines provide water storage and silt traps. There is no reason to suspect that water management there will present insurmountable compliance problems.

5. Rehabilitation and Abandonment

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Currently, no formal mine closure plans have been formulated in any detail for either the GLD or HAM quarries. This is because the ultimate mine plan will be determined by changes in the limestone market over the coming years. So far as the Perak mining regulations are concerned, regulation 13 requires that environmental and pollution control laws be complied with. Aside from that, no formal mine or quarry closure plan is currently mandated by legislation.

Heritage issues are dealt with later in this section of the report.

5.1 GLD

At the end of the quarry life, the whole area could be demolished and rehabilitated with original topsoil removed earlier during the initial stage of quarry development, and planted out appropriately.

Sub-surface quarrying is an option that could be considered in the future. Alternatively, the GLD quarry site will be a valuable site for future industrial purposes.

5.2 HAM

At the end of the quarry life, the whole area could be demolished and rehabilitated with original topsoil removed earlier during the initial stage of quarry development, and planted out appropriately.

Sub-surface quarrying is an option that could be considered in the future. Alternatively, the HAM quarry site will be a valuable site for future industrial purposes.

6. Occupational Health and Safety

So far as the environmental nuisance is concerned, perhaps the most significant impact is the effect on the workers themselves. Particular emphasis has therefore been directed to comply with the health and safety or occupational health requirements as defined in the legislative framework summarised earlier in this section of the report.

For safety and health of workers operating within and around the quarry, personal protective equipment (PPE) will be made available to all quarry personnel. At a minimum, this will include hard hats, safety boots and respiratory protection, augmented as necessary with hearing protection and gloves.

Various guidelines and regulations pertaining to Occupational Health and Safety (OH&S) will be implemented. These include the following practices:

- Drillers and other workers who operate drilling equipment be supplied and required to wear ear muffs;
- To install generator sets and other noisy equipment away from the active working area;
- To provide dust respirators to drillers and others who are exposed to nuisance dust inhalation; and
- To implement a strict procedure pertaining to all stages of blasting operation;

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As blasting has been identified as a source of environmental and safety hazard, general guidelines pertaining to safety measures in blasting operation in the quarry have been documented. The general guidelines include the following code of practice:

- Times of shotfiring
The times of shotfiring must be posted where persons who may be affected would be able to see them. As this may include members of the public, it is advisable to place notices at the quarry entrance and other access points, for example, "Danger - Shotfiring between the hours of _____ and _____, Warning _____, All Clear _____";
- Assessment of danger zone
To assess the area that is cleared for shotfiring;
- Withdrawal of personnel from the blast zone where they should remain until the all clear is given;
- The "safe position" where the shotfirer tests the circuit and fires the shots. A properly designed blast shelter should be provided;
- Warning system
The system of audible signals for shotfiring and all clear that can be heard clearly throughout any area likely to be affected;
- Any flags or portable notices that are used and where they are to be positioned;
- Sentries
The specific places where they are to be positioned and their duties;
- The names and addresses of any nearby residents that are to be warned beforehand that shotfiring is to take place;
- Inspection of the site after the blast - What the shotfirer checks before allowing the all-clear signal to be given;
- Procedure for the shotfirer to follow in the event of a misfire; for instance, consulting the manager, posting of notices, erection of barriers, etc.; and
- Arrangements to be made if charged holes have to be left overnight.

7. Social Management

Employment, local economy and amenities are resources which are usually affected to some degree by any quarrying development scheme. In established quarrying areas such as the Ipoh region, these impacts have been long understood, and recognised as an essential local activity. Most of the impacts are therefore positive in nature, as the project is seen to contribute to and stimulate the growth of the region in general. However, in order to ensure that the development will benefit the local citizens as a whole, priority has been and will continue to be given to the locals in terms of possible recruitment, maintenance, supply and other activities directly or indirectly relating to the project.

8. Heritage Considerations

Heritage considerations refer to matters of historical or cultural significance which may present themselves at the outset of the quarry development, or be discovered as development proceeds. In either

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case, Perak mining regulation 34 requires all such features to be identified and reported. Whilst no dedicated heritage surveys have been conducted in either the GLD or HAM lease areas, it is clear that the limestone tops are not inhabited, whereas the low lying crushing and screening areas are sufficiently well understood as to contain no items that would trigger a regulation 34 event.

At the GLD quarry, there are some old limestone caves of very limited extent which have been examined and are not considered to have any potential heritage significance.

9. Conclusion

The GLD quarry is currently operating under a lease which was granted following the submission and subsequent approval of an EIS for that operation.

The HAM quarry has completed and submitted its respective EIS, which has also been approved by the relevant authorities.

The operations are considered to be currently compliant with all environmental and OH&S requirements. In addition, the quarry managers appointed to GLD and HAM are considered to be competent for the duties currently assigned to them

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VIII. SUMMARY

Past production and additional site work continues to support the estimation of significant Mineral Resources and Ore Reserves at GLD Mine and HAM Mine which have been reported in accordance with the 2012 Edition of the JORC Code.

We have reviewed past activities of GLD Mine and believes that the production is robust and will support the business plan of GCCP. Development at the HAM Mine was also inspected and is believed to be in good progress according to the original plan of GCCP. The management team has exercised professional practice in managing the production and development of the quarry assets.

Yours faithfully,

For and on behalf of

GREATER CHINA MINERAL & ENERGY CONSULTANTS LIMITED

Sergio Matteoli

BSc, MSc

MINCG, MIMEA, EurGeol,

QPMMSA

Principal Consultant

Qualified Person

Gary Man

Registered Professional Surveyor

(G.P.),

FHKIoD, FRICS,

MHKIS, MCIREA

Director

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INVOLVED STAFF BIOGRAPHY

Mr. Sergio Matteoli (*BSc (Geology) and MSc (Dimension Stone Geology), MINCG, MIMEA, EurGeol, QPMMMSA*)

Principal Consultant, Qualified Person

Mr. Matteoli is a dimension stones and industrial minerals specialist, based in San Miniato, Italy, with more than 30 years of professional experience in the field of geology and processing of ornamental stones and industrial minerals. He has extensive worldwide experience in the evaluation of deposits for dimension stone and industrial minerals production, and in the establishment of stone quarries. He is a Certified Professional Geologist with the Italian Professional Geologists Association and a member of the Italian Mining Engineers Association. Mr. Matteoli is a Senior Consultant of Greater China Mineral & Energy Consultants Limited. Mr. Matteoli has published extensively on the geology, production and marketing of ornamental stones and industrial minerals and he still cooperate with the Pisa and Florence universities with workshops and seminars dedicated to postgraduate students. Mr. Matteoli is a Competent Person under the 2012 Edition of the Australasian Code for Reporting of Exploration results, Mineral resources and Ore Reserves (JORC Code).

Mr. Gary Man *Registered Professional Surveyor (G.P.), FHKIoD, FRICS, MHKIS, MCIREA*

Director

Mr. Gary Man is a Chartered Surveyor who has more than 28 years of valuation experience in countries such as The PRC, Hong Kong, Singapore, Vietnam, Philippines and the Asia Pacific region. Mr. Gary Man is the Director of Greater China Mineral and Energy Consultants Limited.

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GENERAL SERVICE CONDITIONS

The service(s) provided by Greater China Mineral & Energy Consultants Limited will be performed in accordance with professional technical advisory reporting standard. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, working papers or documents developed by us during the course of the engagement will be our property. We will retain this data for at least seven years after completion of the engagement.

Our report is to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of Greater China Mineral & Energy Consultants Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

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APPENDIX A – NEW SKP OF GLD

GLD Mine SKP for 2016



JABATAN MINERAL & GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK.(Q) BIL. 17 /2016/11 /(BK)

BAGI

SKIM PENGKUARIAN DI HAKMILIK-HAKMILIK SEPERTI BERIKUT:-

HAKMILIK	MUKIM	DAERAH
PN 258390 Lot 302284 H.S.(D) 214917 PT 302283 L.M.S 1403000421	Sungai Raya	Kinta

Untuk dilaksanakan oleh

GCCP GRIDLAND SDN.BHD.

D21-1, Menara Mitraland
No.13A, Jalan PJU 5, Kota Damansara
47810 Petaling Jaya
Perak Darul Ridzuan

Berdasarkan skim operasi pengkuarian bagi GCCP GRIDLAND SDN.BHD. (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding KenEp Consultancy & Services Sdn. Bhd. melalui suratnya KCS/GRL/255-S1015/025/NN bertarikh 14 Oktober 2015 dan rujukan pelan no. OMSB(3)/2015, kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh mulai 1.1.2016 hingga 31.12.2016 tertakluk kepada syarat-syarat berikut:-

- Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.
- Sempadan-semipadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.

INDEPENDENT QUALIFIED PERSON'S REPORT



- iii) Pemegang permit hendaklah mengambil langkah berjaga-jaga bagi melindungi keselamatan para pekerja dalam atau sekitar kawasan kuari, serta tidak membahayakan atau merosakkan harta benda atau tanah-tanah kerajaan dan kepentingan pihak lain.
- iv) Pengurus kuari yang dilantik hendaklah bertanggung jawab sepenuhnya keatas operasi pengkuarian

Nama Pengurus Kuari

No.Kad Pengenalan

En. Saw Lid Haw

741020-08-6429

Sebarang pindaan nama pengurus perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari.

- iv) Penyata pengeluaran bulanan kuari (Galian 338 PQB) hendaklah dikemukakan kepada Inspektor Kuari dalam dua (2) salinan pada atau sebelum 10 haribulan bulan berikutnya, setiap bulan.
- v) Mempunyai Insuran perlindungan awam (*Public Liability*) bagi melindungi sebarang kemungkinan kerosakan kepada harta awam dan nyawa manusia.
- vi) Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang telah diluluskan.
- viii) Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari.
- ix) Tahap habuk mendap hendaklah tidak melebihi 133 mg/m²/hari (*annual mean of monthly averages*) di tapak pemantauan.
- x) Kerja-kerja letupan hanya dibenarkan pada hari bekerja dan tidak boleh pada hari Jumaat, Sabtu, Ahad dan Cuti Umum iaitu di antara jam 12.⁰⁰ tgh. hingga jam 5.⁰⁰ ptg. Sebarang perubahan hendaklah mendapat kelulusan dari Inspektor Kuari.
- xi) Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:-

Nama

No.Kad Pengenalan

**No.Sijil
Pembedil JMG**

- | | | |
|--|----------------|---------|
| a) En. Ong Kien Onn | 651215-08-5195 | E 10335 |
| b) En. Ong PI Cheok | 711023-08-6347 | E 10294 |
| c) En. Mohamad Pilus
Bin Wan Yahaya | 710708-08-6513 | E 10278 |

INDEPENDENT QUALIFIED PERSON'S REPORT



d) En. Chal Khoo Pheng 640327-06-5929 E 10122

Sebarang pindaan sonarai nama pembedil perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari.

- xii) Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan hendaklah menurut seperti berikut:-

<u>Jenis Bahan Letupan</u>	<u>Kuantiti</u>
a) High Explosives	10 kg
b) Detonator	60 butir
d) Detonating Cord	500 meter

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari.

- xiii) Langkah-langkah keselamatan mestilah diambil sebelum, semasa dan selepas setiap kali peletupan dilaksanakan, seperti membunyikan siren, meletakkan papan tanda amaran bahaya di tempat-tempat yang sesuai, menutup jalan keluar/masuk ke tapak peletupan semasa kerja-kerja peletupan, menempatkan pengawal keselamatan di kawasan-kawasan tertentu, demi menjaga keselamatan pekerja dan orang awam serta harta benda.
- xiv) Had gegaran bumi bagi setiap peletupan hendaklah tidak melebihi 5.0 mm/saat dan ledakan udara bagi setiap peletupan hendaklah tidak melebihi 124dB(L), diukur pada kepentingan awam / struktur kediaman / struktur kekal, yang paling hampir.
- xvi) Mengemukakan kepada Inspektor Kuari cadangan rekabentuk peletupan melalui jurutera perunding, dalam satu (1) minggu sebelum peletupan dilaksanakan pada setiap kali peletupan.
- xvii) Kerja-kerja pemantauan terhadap gegaran bumi dan ledakan udara hendaklah dibuat oleh pihak pengusaha kuari atau jurutera perunding setiap kali letupan dilaksanakan dengan kekerapan pemantauan seperti mana yang telah ditetapkan oleh Inspektor Kuari.
- xviii) Sekiranya berlaku sebarang kemalangan atau kerosakan harta benda awam, semua operasi pengkuarian hendaklah diberhentikan dengan serta merta. Laporan secara lisan hendaklah dibuat kepada Inspektor Kuari dengan serta merta dalam tempoh dua puluh empat (24) jam dan secara bertulis dalam tempoh dua (2) hari bekerja (working days) daripada tarikh kejadian tersebut.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xix) Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari.
- xx) Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan melalui Jurutera perunding kepada Inspektor Kuari.
- xxi) Jurutera Perunding dikehendaki mengemukakan laporan berkala setiap tiga bulan mengenai aktiviti pengkuarian yang meliputi keselamatan operasi, keselamatan pekerja, penjagaan alam sekitar dan kerja-kerja letupan.
- xxii) Papan tanda nama kuari hendaklah dipasang pada jalan masuk ke kuari atau ditempat yang sesuai dengan terang dan jelas mengikut spesifikasi yang ditetapkan oleh Pihak Berkuasa Tempatan.
- xxiii) Lori atau kenderaan yang membawa bahan batu keluar/masuk ke kuari hendaklah menutup muatan tersebut dengan baik, kemas dan selamat.
- xxiv) Mematuhi segala syarat/peraturan yang telah ditetapkan oleh lain-lain agensi kerajaan / perundangan yang terlibat.
- xxv) Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.
- xxvi) Tidak melaksanakan aktiviti pengkuarian / peletupan dalam kawasan 10 meter dari sempadan tanah kuari yang bersempadan dengan tanah milik orang lain / tanah kerajaan.
- xxvii) Melaksanakan sistem tetingkat (*benching*) pada muka kuari mengikut spek kejuruteraan yang baik dan sesuai bagi tujuan keselamatan.
- xxviii) Mempunyai 'washing bay' di tempat yang sesuai pada laluan keluar / masuk ke kuari.
- xxix) Letupan utama dan sekunder tidak boleh dilaksanakan serentak
- xxx) Kerja-kerja peletupan hendaklah dikawal selia sepenuhnya oleh Jurutera Perunding yang dilantik (KenEp Consultancy & Services Sdn.Bhd.)

INDEPENDENT QUALIFIED PERSON'S REPORT



2. Surat Kelulusan Pengkuaran ini boleh dibatalkan atau digantungkan atau dipinda syarat-syaratnya pada bila-bila masa, jika difikirkan perlu. Permohonan untuk membaharui Surat Kelulusan Pengkuaran ini hendaklah dibuat dalam tempoh dua (2) bulan sebelum tarikh luput.

A handwritten signature in black ink, appearing to read 'Syed Mokhtar', written over a horizontal line.

(DATO' SYED MOKHTAR BIN SYED IDDRIS, DPMP., PCM., ACM., PPT.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.

Tarikh:.....29/2/16

Fail: JMG.PRK (LK) (K) : (KR) / 157 Jld.3

INDEPENDENT QUALIFIED PERSON'S REPORT



GLD Mine SKP for 2015



JABATAN MINERAL & GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK.(Q) BIL. 16/2015/11/(BK)

BAGI

SKIM PENGKUARIAN DI HAKMILIK-HAKMILIK SEPERTI BERIKUT:-

HAKMILIK	MUKIM	DAERAH
PN. 258390 LOT 302284 H.S.(D) 214917 LOT 302283 L.M.S No:1403000421	Sungai Raya	Kinta

Untuk dilaksanakan oleh

GRIDLAND SDN BHD.,
30 A, Medan Lagenda 2,
Medan Lapangan Lagenda,
31350 Ipoh,
Perak Darul Ridzuan.

Berdasarkan skim operasi pengkuarian bagi **Gridland Sdn. Bhd.** (selepas ini disebut Pemegang Permit) yang dikemukakan oleh **Loh Consultants Sdn (1974)** melalui suratnya **SKP/Report/2014/10/5** bertarikh **13.10.2014** dan rujukan pelan **GLDSB/2014** kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh hingga **31.12.2015** tertakluk kepada syarat-syarat berikut:-

- i) Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.

INDEPENDENT QUALIFIED PERSON'S REPORT



- ii) Sempadan-semipadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.
- iii) Pemegang Permit hendaklah mengambil langkah berjaga-jaga bagi melindungi keselamatan para pekerja dalam sekitar kawasan kuari, serta tidak membahayakan atau merosakkan harta benda atau tanah-tanah Kerajaan dan kepentingan pihak lain.
- iv) Penyata pengeluaran bulanan kuari (**Galian 338 PQB**) hendaklah dikemukakan kepada Pejabat Inspektor Kuari dalam dua (2) salinan pada atau sebelum 10 hari bulan bulan berikutnya.
- v) Insuran perlindungan awam (Public Liability) hendaklah diperolehi bagi melindungi sebarang kemungkinan kerosakan kepada harta awam.
- vi) Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang diluluskan.
- vii) Kerja-kerja lanskap dan pemuliharaan alam sekitar hendaklah dilaksanakan pada setiap masa.
- viii) Pokok-pokok yang sedia ada di dalam kawasan kuari tidak boleh ditebangkan atau dimusnahkan melainkan mendapat kebenaran daripada Inspektor Kuari terlebih dahulu.
- ix) Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari.
- x) Tahap habuk mendap hendaklah tidak melebihi **133 mg/m²/hari** (annual mean of monthly averages) di tapak pemantauan.
- xi) Kerja-kerja letupan hanya dibenarkan pada hari bekerja dan **tidak boleh** pada hari **Jumaat, Sabtu, Ahad dan Cuti Umum** iaitu di antara jam 12.⁰⁰ tgh. hingga jam 5.⁰⁰ ptg. Sebarang perubahan hendaklah mendapat kelulusan dari Inspektor Kuari.
- xii) Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil pembedil berikut sahaja:-
 - a) Ong Kien Onn : K/P : 651215-08-5195
Nombor Sijil Pembedil : JMG : D 10335
 - b) Ong Pi Cheok : K/P : 711023-08-6347
Nombor Sijil Pembedil : JMG : D 10294

INDEPENDENT QUALIFIED PERSON'S REPORT



Sekiranya terdapat perubahan kepada senarai nama pembedil, kebenaran Inspektor Kuari hendaklah diperolehi.

- xiii) Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan hendaklah menurut seperti berikut:-

<i>Jenis Bahan Letupan</i>	<i>Kuantiti</i>
a) High Explosives	10 kg.
b) Detonating Cord	500 meter (6 g/m)
c) Safety Fuse	150 meter
d) Detonator	60 butir

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari.

- xiv) Langkah-langkah keselamatan hendaklah diambil apabila membuat kerja letupan untuk menjaga keselamatan pekerja, orang awam dan harta benda.
- xv) Had gegaran bumi tidak melebihi **5.0 mm/saat** dan ledakan udara tidak melebihi **124dB(L)**, yang terhasil daripada aktiviti kerja letupan, di sempadan kepentingan awam yang paling hampir (**Gua Kek Look Tong**).
- xvi) Inspektor Kuari hendaklah diberitahu secara bertulis jadual hari/masa yang hendaklah dijalankan kerja-kerja perletupan dalam minggu akhir bulan sebelumnya.
- xvii) Kerja-kerja pemantauan terhadap gegaran bumi dan ledakan udara hendaklah dibuat oleh pihak pengusaha kuari atau jurutera perunding.
- xviii) Sekiranya berlaku sebarang kemalangan atau kerosakan harta benda awam, semua operasi pengkuarian hendaklah diberhentikan dengan serta merta. Laporan secara lisan hendaklah dibuat kepada Inspektor Kuari dengan serta merta dalam tempoh dua puluh empat (24) jam dan secara bertulis dalam tempoh dua (2) hari bekerja (working days) daripada tarikh kejadian tersebut.
- xix) Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari.
- xx) Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan melalui Jurutera perunding kepada Inspektor Kuari.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xxi) Jurutera Perunding dikehendaki mengemukakan laporan berkala setiap tiga bulan mengenai aktiviti pengkuarian yang meliputi keselamatan operasi, keselamatan pekerja, penjagaan alam sekitar dan kerja-kerja letupan.
- xxii) Papan tanda nama kuari hendaklah dipasang pada jalan masuk ke kuari atau ditempat yang sesuai dengan terang dan jelas mengikut spesifikasi yang ditetapkan oleh Pihak Berkuasa Tempatan, di samping memasang lampu pada papan tanda tersebut supaya ianya kelihatan jelas pada waktu malam.
- xxiii) Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.
- xxiv) Tidak melaksanakan aktiviti pengkuarian / peletupan dalam kawasan 10 meter dari semua sempadan tanah kuari.
- xxv) Menjalankan aktiviti penghijauan di kawasan pajakan kuari termasuklah kawasan pejabat, workshop, disepanjang laluan jalan masuk ke muka kuari dan kawasan kerja kuari yang tidak dikerjakan lagi. Pihak tuan dikehendaki memulakan program penghijauan secara berterusan bagi menyelesaikan masalah "visual intrusion/eyesore" yang memberi impak negatif kepada persekitaran.
- xxvi) Melaksanakan sistem tettingkat kuari mengikut aspek kejuruteraan yang baik bagi tujuan keselamatan semasa aktiviti pengekstrakan batu dijalankan.
- xxvii) Mempunyai 'washing bay' di tempat yang sesuai pada laluan keluar / masuk ke kuari.

SYARAT-SYARAT TAMBAHAN:-

- i) Mengemukakan cadangan rekabentuk peletupan utama / sekunder kepada Inspektor Kuari melalui Jurutera Perunding sekurang-kurangnya dua (2) minggu sebelum tarikh peletupan, setiap kali sebelum sesuatu peletupan hendak dilaksanakan.
- ii) Jumlah maksima lubang letupan sekunder yang boleh diletupkan dalam satu (1) hari ialah 60 lubang.
- iii) Peletupan utama dan sekunder tidak boleh dilaksanakan serentak.

INDEPENDENT QUALIFIED PERSON'S REPORT



- iv) Kerja-kerja peletupan hendaklah dikawalselia sepenuhnya oleh Jurutera Perunding.
- v) Kerja-kerja pemantauan terhadap gegaran bumi dan ledakan udara hendaklah dibuat oleh pihak pengusaha kuari atau Jurutera Perunding di **Gua Kek Look Tong**.
- vi) Memaklumkan kepada Inspektor Kuari tiga (3) hari sebelum tarikh letupan setiap kali sebelum sesuatu kerja-kerja letupan hendak dilaksanakan.

2. Surat Kelulusan Pengkuarian ini boleh dibatalkan atau digantungkan atau dipinda syarat-syaratnya pada bila-bila masa, jika difikirkan perlu. Permohonan untuk membaharui Surat Kelulusan Pengkuarian ini hendaklah dibuat dalam tempoh **dua (2) bulan** sebelum tarikh luput.

(DATO' SYED MOKHTAR BIN SYED IDDRIS, DPMP., PCM., ACM., PPT.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.



Tarikh: 27/1/2015

FAB / JMG.PRK (LK) (K) : (KR) / 157 J13

INDEPENDENT QUALIFIED PERSON'S REPORT



The relevant authority has given confirmation on the change of quarry consultant.


JABATAN MINERAL & GEOSAINS NEGERI PERAK
SURAT KELULUSAN SKIM KUARI (PINDAAN PERTAMA)
(Seksyen 4 Peraturan Kuari Perak 1992)
JMG.PRK.(Q) BIL. 16/2015/11(BK)

I. Pindaan kepada nama :

Status Tanah	:	-
Nama Tuan Punya Tanah	:	-
Nama Operator Kuari	:	-
Kelulusan Kuari	:	-

II. Pindaan kepada tarikh luput SKSK : -

Seperti yang di tunjukkan dalam pelan : -
pindaan yang telah disahkan pada

III. Pindaan lain :-

asal :

Berdasarkan skim operasi pengkuarian bagi **Gridland Sdn. Bhd.**, (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding **Loh Consultant (1974)** melalui suratnya **SKP/Report/2014/10/5** bertarikh **13.10.2014** dan rujukan pelan **GLDSB/2014** kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh hingga **31.12.2015** tertakluk kepada syarat-syarat berikut:-

kepada :

Berdasarkan skim operasi pengkuarian bagi **Gridland Sdn. Bhd.**, (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding **KenEp Consultancy & Services Sdn. Bhd.** melalui suratnya **KCS/GRL/255-S0615/005/LY** bertarikh **30 Jan 2015** dan rujukan pelan **KCS/GRL/255-QLR-0615-927-D001** kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh hingga **31.12.2015** tertakluk kepada syarat-syarat berikut:-

SURAT KELULUSAN SKIM KUARI (PINDAAN PERTAMA)
JMG.PRK.(Q) BIL. 16/2015/11(BK)

VI. Pindaan kepada syarat-syarat :

a) pembatalan syarat	:	-
b) pindaan syarat (perlu ditaip penuh) :	-	-
c) syarat baru	:	-


(DATO' SYED MOHTAR BIN SYED IDRIS, DPMP., PCM., ACM., PPT.)
Pengarah Tanah Dan Galian
Perak Darul Ridzuan
Tarikh : 9/7/2015

2

INDEPENDENT QUALIFIED PERSON'S REPORT



APPENDIX B – NEW SKP OF HAM

HAM Mine SKP for 2016



JABATAN MINERAL & GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK(Q) 63/2015/15/(BK)

BAGI

SKIM PENGKUIAN DI HAKMILIK-HAKMILIK SEPerti BERIKUT:-

HAKMILIK	MUKIM	DAERAH
H.S. (D) 217328 PT 24226 H.S. (D) 214644 PT 24116 H.S. (D) 215515 PT 24149 H.S. (D) 199908 PT 23014 H.S. (D) 212118 PT 23164	Sungai Raya	Kinta

Untuk dilaksanakan oleh

HYPER ACT MARKETING SDN.BHD.

No : 30A, Medan Lapangan Lagenda,
31350 Simpang Pulai,
Perak Darul Ridzuan.

Berdasarkan skim operasi pengkuarian bagi Hyper Act Marketing Sdn. Bhd., (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding KenEp Consultancy & Services Sdn. Bhd. melalui suratnya KCS/HAM/251(2)-S0515/001/HF bertarikh 18.05.2014 dan rujukan pelan KCS/HAM251(2)-QLR-0515-898-D001 kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh mulai 01.07.2015 hingga 30.06.2016 tertakluk kepada syarat-syarat berikut:-

- i) Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.

INDEPENDENT QUALIFIED PERSON'S REPORT



- ii) Sempadan-sempadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.
- iii) Pemegang Permit hendaklah mengambil langkah berjaga-jaga bagi melindungi keselamatan para pekerja dalam sekitar kawasan kuari, serta tidak membahayakan atau merosakkan harta benda atau tanah-tanah Kerajaan dan kepentingan pihak lain.
- iv) Penyata pengeluaran bulanan kuari (JMG 338 PQB) hendaklah dikemukakan kepada Pejabat Inspektor Kuari dalam dua (2) salinan pada atau sebelum 10 haribulan bulan berikutnya.
- v) Mempunyai Insuran Perlindungan Awam (*Public Liability Insurance*) bagi melindungi sebarang kemungkinan kerosakan kepada harta awam.
- vi) Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang diluluskan.
- vii) Kerja-kerja lanskap dan pemuliharaan alam sekitar hendaklah dilaksanakan pada setiap masa.
- viii) Pokok-pokok yang sedia ada di dalam kawasan kuari tidak boleh ditebangkan atau dimusnahkan melainkan mendapat kebenaran daripada Inspektor Kuari terlebih dahulu.
- ix) Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari.
- x) Tahap habuk mendap hendaklah tidak melebihi 133 mg/m²/hari (*annual mean of monthly averages*) di tapak pemantauan.
- xi) Kerja-kerja letupan hanya dibenarkan pada hari bekerja dan tidak boleh pada hari Jumaat, Sabtu, Ahad dan Cuti Umum iaitu di antara jam 12.⁰⁰ tgh. hingga jam 5.⁰⁰ ptg. Sebarang perubahan hendaklah mendapat kelulusan daripada Inspektor Kuari.
- xii) Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:-

- | | | |
|----|------------------------------|---------------------|
| a) | Mohamad Pilus bin Wan Yahaya | :K/P:710708-08-6513 |
| | Nombor Sijil Pembedil JMG | :E 10278 |
| b) | Chai Koo Peng | :K/P:640327-06-5929 |
| | Nombor Sijil Pembedil JMG | :E 10122 |

Sebarang pindaan kepada senarai nama pembedil perlu dimaklumkan dan mendapat kelulusan Inspektor Kuari.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xiii) Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan hendaklah menurut seperti berikut:-

<u>Jenis Bahan Letupan</u>	<u>Kuantiti</u>
a) High Explosives	5 kg.
b) Detonating Cord	400 meter
c) Safety Fuse	100 meter
d) Detonator	60 butir

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari.

- xiv) Langkah-langkah keselamatan hendaklah diambil apabila membuat kerja letupan untuk menjaga keselamatan pekerja, orang awam dan harta benda.
- xv) Had gegaran bumi tidak melebihi 5.0 mm/saat dan ledakan udara tidak melebihi 124dB(L), yang terhasil daripada aktiviti kerja letupan di sempadan jalanraya Simpang Pulai / Pos Slim dan disempadan struktur kekal (Kampong Tanjong) yang paling hampir.
- xvi) Inspektor Kuari hendaklah diberitahu secara bertulis jadual hari/masa yang hendaklah dijalankan kerja-kerja perletupan dalam minggu akhir bulan sebelumnya.
- xvii) Kerja-kerja pemantauan terhadap gegaran bumi dan ledakan udara hendaklah dibuat oleh pihak pengusaha kuari atau Jurutera Perunding.
- xviii) Sekiranya berlaku sebarang kemalangan atau kerosakan harta benda awam, semua operasi pengkuarian hendaklah diberhentikan dengan serta merta. Laporan secara lisan hendaklah dibuat kepada Inspektor Kuari dengan serta merta dalam tempoh dua puluh empat (24) jam dan secara bertulis dalam tempoh dua (2) hari bekerja (*working days*) daripada tarikh kejadian tersebut.
- xix) Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari.
- xx) Hendaklah membuat penganalisan kandungan kelodak air limpahan dari kawasan perangkap kelodak setiap/minggu.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xxi) Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan melalui Jurutera Perunding kepada Inspektor Kuari.
- xxii) Juru Perunding dikehendaki mengemukakan laporan berkala setiap tiga (3) bulan mengenai aktiviti pengkuarian yang meliputi keselamatan operasi, keselamatan pekerja, penjagaan alam sekitar dan kerja-kerja letupan.
- xxiii) Lori atau kenderaan yang membawa muatan bahan batu keluar dari kawasan kuari hendaklah menutup muatan tersebut dengan penutup yang sesuai, baik, kemas dan selamat.
- xxiv) Lori atau kenderaan yang membawa bahan batu keluar dari kawasan kuari hendaklah mengikut spesifikasi yang telah ditetapkan oleh undang-undang dan sebarang pindaan / perubahan kepada kenderaan / lori tersebut, hendaklah mendapat kebenaran daripada Jabatan Pengangkutan Jalan atau pihak berkuasa yang berkenaan.
- xxv) Papan tanda nama kuari hendaklah dipasang pada jalan masuk ke kuari atau ditempat yang sesuai dengan terang dan jelas mengikut spesifikasi yang ditetapkan oleh Pihak Berkuasa Tempatan.
- xxvi) Menanam pokok-pokok yang cepat membesar dan sesuai dikawasan kuari dan jalan masuk kuari bagi tujuan pengindahan dan pemeliharaan kualiti alam sekitar.
- xxvii) Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.
- xxviii) Mematuhi segala syarat-syarat yang telah dikenakan oleh agensi-agensi Kerajaan terlibat.
- xxix) Merenjis air keatas jalan masuk ke kuari dan jalan-jalan dalam kawasan kuari, sekurang-kurangnya satu kali sejam pada waktu bekerja dalam musim kemarau atau pun apabila jalan mulai berdebu.
- xxx) Tidak melaksanakan aktiviti pengkuarian / peletupan dalam kawasan 10 meter dari semua sempadan tanah kuari.
- xxxi) Mengemukakan cadangan rekabentuk peletupan utama atau sekunder kepada Inspektor Kuari melalui sekurang-kurangnya satu (1) minggu sebelum tarikh peletupan hendak dilaksanakan.
- xxxii) Letupan utama dan sekunder tidak boleh dilaksanakan serentak.

INDEPENDENT QUALIFIED PERSON'S REPORT



2. Surat Kelulusan Pengkuarian ini boleh dibatalkan atau digantungkan atau dipinda syarat-syaratnya pada bila-bila masa, jika difikirkan perlu. Permohonan untuk membaharui Surat Kelulusan Pengkuarian ini hendaklah dibuat dalam tempoh dua (2) bulan sebelum tarikh luput.

A handwritten signature in black ink, appearing to read 'Syed Mokhtar'.

(DATO' SYED MOKHTAR BIN SYED IDDRIS, DPMP., PCM., ACM., PPT.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.

Tarikh: 5/9/15

FAB / JMG.PRK. (LK) (K) : (KR) / 003 Jld.3

INDEPENDENT QUALIFIED PERSON'S REPORT



HAM Mine SKP for 2015



JABATAN MINERAL & GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK(Q)51/2015/15/(BK)

BAGI

SKIM PENGKUARIAN DI HAKMILIK-HAKMILIK SEPERTI BERIKUT:-

HAKMILIK	MUKIM	DAERAH
H.S. (D) 217328 PT 24226 H.S. (D) 214644 PT 24116 H.S. (D) 215515 PT 24149 H.S. (D) 199908 PT 23014 H.S. (D) 212118 PT 23164	Sungai Raya	Kinta

Untuk dilaksanakan oleh

HYPER ACT MARKETING SDN.BHD.

No : 30A, Medan Lapangan Lagenda,
31350 Simpang Pulai,
Perak Darul Ridzuan.

Berdasarkan skim operasi pengkuarian bagi **Hyper Act Marketing Sdn. Bhd.**, (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding **Loh Consultants Sdn. (1974)** melalui suratnya **Hyper Act/skp/2014** bertarikh **27.09.2014** dan rujukan pelan No. **HAMSB/2014/A** kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh hingga **30.06.2015** tertakluk kepada syarat-syarat berikut:-

- i) Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.
- ii) Sempadan-semipadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.

INDEPENDENT QUALIFIED PERSON'S REPORT



- iii) Pemegang Permit hendaklah mengambil langkah berjaga-jaga bagi melindungi keselamatan para pekerja dalam sekitar kawasan kuari, serta tidak membahayakan atau merosakkan harta benda atau tanah-tanah Kerajaan dan kepentingan pihak lain.
- iv) Penyata pengeluaran bulanan kuari (**Galian 338 PQB**) hendaklah dikemukakan kepada Pejabat Inspektor Kuari dalam dua (2) salinan pada atau sebelum 10 haribulan bulan berikutnya.
- v) Insuran perlindungan awam (Public Liability) hendaklah diperolehi bagi melindungi sebarang kemungkinan kerosakan kepada harta awam.
- vi) Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang diluluskan.
- vii) Kerja-kerja lanskap dan pemuliharaan alam sekitar hendaklah dilaksanakan pada setiap masa.
- viii) Pokok-pokok yang sedia ada di dalam kawasan kuari tidak boleh ditebangkan atau dimusnahkan melainkan mendapat kebenaran daripada Inspektor Kuari terlebih dahulu.
- ix) Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari.
- x) Tahap habuk mendap hendaklah tidak melebihi **133 mg/m²/hari** (annual mean of monthly averages) di tapak pemantauan.
- xi) Kerja-kerja letupan hanya dibenarkan pada hari bekerja dan **tidak boleh** pada hari **Jumaat, Sabtu, Ahad dan Cuti Umum** iaitu di antara jam 12.⁰⁰ tgh. hingga jam 5.⁰⁰ ptg. Sebarang perubahan hendaklah mendapat kelulusan dari Inspektor Kuari.
- xii) Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:-
 - a) **Mohamad Pilus bin Wan Yahaya** :K/P : 710708-08-6513
Nombor Sijil Pembedil :JMG : E 10278
 - b) **Chai Koo Peng** :K/P:640327-06-5929
Nombor Sijil Pembedil :JMG : E 10122

Sekiranya terdapat perubahan kepada senarai nama pembedil, kebenaran Inspektor Kuari hendaklah diperolehi.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xiii) Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan hendaklah menurut seperti berikut:-

<u>Jenis Bahan Letupan</u>	<u>Kuantiti</u>
a) High Explosives	10 kg.
b) Detonating Cord	400 meter
c) Safety Fuse	200 meter
d) Detonator	60 butir

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari.

- xiv) Langkah-langkah keselamatan hendaklah diambil apabila membuat kerja letupan untuk menjaga keselamatan pekerja, orang awam dan harta benda.
- xv) Had gegaran bumi tidak melebihi **5.0 mm/saat** dan ledakan udara tidak melebihi **124dB(L)**, yang terhasil daripada aktiviti kerja letupan di sempadan jalanraya Simpang Pulai / Pos Slim dan disempadan struktur kekal (**Kampong Tanjong**) yang paling hampir.
- xvi) Inspektor Kuari hendaklah diberitahu secara bertulis jadual hari/masa yang hendaklah dijalankan kerja-kerja perletupan dalam minggu akhir bulan sebelumnya.
- xvii) Kerja-kerja pemantauan terhadap gegaran bumi dan ledakan udara hendaklah dibuat oleh pihak pengusaha kuari atau jurutera perunding.
- xviii) Sekiranya berlaku sebarang kemalangan atau kerosakan harta benda awam, semua operasi pengkuarian hendaklah diberhentikan dengan serta merta. Laporan secara lisan hendaklah dibuat kepada Inspektor Kuari dengan serta merta dalam tempoh dua puluh empat (24) jam dan secara bertulis dalam tempoh dua (2) hari bekerja (working days) daripada tarikh kejadian tersebut.
- xix) Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari.
- xx) Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan melalui Jurutera perunding kepada Inspektor Kuari.

INDEPENDENT QUALIFIED PERSON'S REPORT



- xxi) Jurutera Perunding dikehendaki mengemukakan laporan berkala setiap tiga bulan mengenai aktiviti pengkuarian yang meliputi keselamatan operasi, keselamatan pekerja, penjagaan alam sekitar dan kerja-kerja letupan.
- xxii) Papan tanda nama kuari hendaklah dipasang pada jalan masuk ke kuari atau ditempat yang sesuai dengan terang dan jelas mengikut spesifikasi yang ditetapkan oleh Pihak Berkuasa Tempatan, di samping memasang lampu pada papan tanda tersebut supaya ianya kelihatan jelas pada waktu malam.
- xxiii) Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.
- xxiv) Tidak melaksanakan aktiviti pengkuarian / peletupan dalam kawasan 10 meter dari semua sempadan PT 24226, PT 24116, PT 24149, PT 23014 dan PT 23164.
- xxv) Menjalankan aktiviti penghijauan di kawasan pajakan kuari termasuklah kawasan pejabat, workshop, disepanjang laluan jalan masuk ke muka kuari dan kawasan kerja kuari yang tidak dikerjakan lagi. Pihak tuan dikehendaki memulakan program penghijauan secara berterusan bagi menyelesaikan masalah "visual intrusion/eyesore" yang memberi impak negatif kepada persekitaran.
- xxvi) Melaksanakan sistem tetingkat kuari mengikut aspek kejuruteraan yang baik bagi tujuan keselamatan semasa aktiviti pengekstrakan batu dijalankan.
- xvi) Mempunyai 'washing bay' di tempat yang sesuai pada laluan keluar / masuk ke kuari.

SYARAT-SYARAT TAMBAHAN:-

- i) Mengemukakan permohonan letupan utama berserta cadangan rekabentuk peletupan kepada Inspektor Kuari melalui Jurutera Perunding sekurang-kurangnya dua (2) minggu sebelum tarikh peletupan hendak dilaksanakan.
- ii) Kerja-kerja peletupan utama hanya boleh dilaksanakan setelah mendapat kelulusan daripada Inspektor Kuari.
- iii) Letupan utama dan sekunder tidak boleh dilaksanakan serentak.
- iv) Jumlah maksima lubang letupan sekunder yang boleh diletupkan dalam satu (1) hari ialah 60 lubang.

INDEPENDENT QUALIFIED PERSON'S REPORT



- v) Memaklumkan kepada Inspektor Kuari tiga (3) hari sebelum tarikh letupan setiap kali sebelum sesuatu kerja-kerja letupan hendak dilaksanakan.

2. Surat Kelulusan Pengkuarian ini boleh dibatalkan atau digantungkan atau dipinda syarat-syaratnya pada bila-bila masa, jika difikirkan perlu. Permohonan untuk membaharui Surat Kelulusan Pengkuarian ini hendaklah dibuat dalam tempoh **dua (2) bulan** sebelum tarikh luput.

(DATO' SYED MOKHTAR BIN SYED IDDRIS, DPMP., PCM., ACM., PPT.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.



Tarikh: 27/6/15

FAB / JMG.PRK. (LK) (K) : (KR) / 003 Jld.3

INDEPENDENT QUALIFIED PERSON'S REPORT



APPENDIX C – EQUIPMENT OF HAM POWDER PLANT

Powder Plant Project Budget (20,000MTPM fine powder)

Equipment	Quantity
Feed Preparation	
Pre-crushing before powder plant (full set)	1
Feed Silos	2
Magnets	4
Dust Collectors	2
Miscellaneous Equipment	-
Processing Plant & Equipment	
LURM Feed Bin	3
Product Silos (Coated+Uncoated)	7
Packers, Palletizer, Strentchood	1
Conveying Equipment (Screw Conveyor)	3
Conveying Equipment (Belt Conveyor)	7
Luzim LURM1600 Mill + DC, PLC etc	3
Alpine Coating Machine	1
Air Compressors	2
Roots Blowers	9
Rotary Valves	10
Reject Silos	3
Diverter	8
Miscellaneous Equipment	1
Civil & Building	
Feed Preparation area	N/A
Process Building	N/A
Packaging area	N/A
Warehousing area	N/A
Loading area	N/A
Plant Office,E/Room	N/A
Fence,Roads, Infra-Structure, sewage	N/A
Piling costs	N/A
Others	N/A
Others	
Lab Equipments	1
Forklift (3 tons)	5
Forklift (5 tons)	1
Pallet Trucks	3

INDEPENDENT QUALIFIED PERSON'S REPORT



APPENDIX D – SITE VISIT PHOTOS

GLD Site Photos



INDEPENDENT QUALIFIED PERSON'S REPORT



HAM Site Photos



INDEPENDENT QUALIFIED PERSON'S REPORT



APPENDIX E – SUMMARY OF RESOURCES AND RESERVES

The following resources and reserve statements of GLD and HAM are prepared in accordance with the requirements of “Appendix 7D Summary of Reserves and Resources” of the Catalist Rules of the Singapore Exchange.

GCCP Gridland Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG.PRK.(Q) BIL. 17/2016/11/(BK)		Net Attributable to GCCP		Change from previous Update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserves							
Proved	Limestone	Insufficient studies to determine					
Probable	Limestone	4.2	98.2%	4.2	98.2%	-3.8%	Production
<i>Total</i>		4.2	98.2%	4.2	98.2%		
Resources*							
Measured	Limestone	1.4	98%	1.4	98%	N/A	
Indicated	Limestone	24	98%	24	98%	N/A	Actual reduction not appeared due to rounding
Inferred	Limestone	20	98%	20	98%	N/A	
<i>Total</i>		43	98%	43	98%		

Note: Total may appear to be inconsistent due to appropriate rounding

* Mineral Resources are inclusive of Ore Reserves

[^] This limestone resource and reserve statement of GLD Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2015. Mr. Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

INDEPENDENT QUALIFIED PERSON'S REPORT



Hyper Act Marketing Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG.PRK.(Q) BIL. 63/2015/15/(BK)		Net Attributable to GCCP		Change from previous update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserves							
Proved	Limestone	2.2	96.1	2.2	96.1	N/A	
Probable	Limestone	19.7	96.1	19.7	96.1	N/A	
<i>Total</i>		22.0	96.1	22.0	96.1	N/A	
Resources*							
Measured	Limestone	47	96	47	96	N/A	
Indicated	Limestone	120	96	120	96	N/A	
Inferred	Limestone	10	96	10	96	N/A	
<i>Total</i>		180	96	180	96	N/A	

Note: Total may appear to be inconsistent due to appropriate rounding

* Mineral Resources are inclusive of Ore Reserves

[^] This limestone resource and reserve statement of HAM Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2015. Mr. Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

INDEPENDENT QUALIFIED PERSON'S REPORT



APPENDIX F – GLOSSARY

aggregates	A granular rick product obtained by processing of natural materials through crushing and screening
brightness	A measure of how much light is reflected by a material under specified conditions and is usually reported as a percentage of how much light is reflected
calcination	A thermal treatment process in presence of air or oxygen applied to limestone to bring about a thermal decomposition, a phase transition or removal of a volatile fraction
calcite	The most stable crystalline form of calcium carbonate (CaCO_3)
Competent Person	A minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation' (RPO), as included in a list available on the JORC and Australian Securities Exchange (ASX) websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.
Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with other relevant operational factors and detailed analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study
GCC	Ground calcium carbonate, which is produced through mechanical grinding of naturally occurring calcium carbonate rocks and is a most commonly used mineral in the paper, plastic, paints and coating industries as a filler and also as a coating pigment
"Indicated Mineral Resource" or "Indicated Resource"	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit

INDEPENDENT QUALIFIED PERSON'S REPORT



Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered

An indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve

“Inferred Mineral Resource” or “Indicated Resource”

That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drilling holes

An inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration

JORC

Joint Ore Reserves Committee

JORC Code

2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia

karst landscape

landscape formed from the dissolution of soluble rocks including limestone

limestone

Sedimentary rock composed largely of calcium carbonate (CaCO_3)

marble

Non-foliated metamorphic rock that is produced from the metamorphism of limestone or dolomite. It is thoroughly recrystallized and much, if not all, of the sedimentary and biological textures are obliterated

“Mineral Resource” or “Resource”

A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quality that there are reasonable prospects for eventual economic extraction. The location, quality, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including

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sampling. Mineral Resource are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories

“Measured Mineral Resource” or “Measured Resource” That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, working and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve

metamorphic rock A rock which has undergone profound physical and/or chemical change due to high pressure or heat

Modifying Factors Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic marketing, legal, environment, social and governmental factors

MYR Malaysia Ringgit, official currency of Malaysia

Ore Reserves The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves

PCC Precipitated calcium carbonate, which is produced through a chemical reaction process that utilises calcium oxide, which is quicklime, water and carbon dioxide and has many industrial applications such as paper industry, polymer and healthcare applications

Pre-Feasibility Study A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method,

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in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study

Probable Ore Reserve" or "Probable Reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource
Proved Ore Reserve" or "Proved Reserve"	The economically mineable part of a Measured Mineral Resource
quarrying	The extraction of stone or other materials from a quarry
USD	United States Dollar

INDEPENDENT **QUALIFIED PERSON'S REPORT**



END OF REPORT

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX E – SUMMARY OF RESOURCES AND RESERVES

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GCCP Gridland Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG.PRK.(Q) BIL. 17/2016/11/(BK)		Net Attributable to Issuer		Change from previous Update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserves							
Proved	Limestone	Insufficient studies to determine					
Probable	Limestone	4.2	98.2%	4.2	98.2%	-3.8%	Production
Total		4.2	98.2%	4.2	98.2%		
Resources*							
Measured	Limestone	1.4	98%	1.4	98%	N/A	Actual reduction not appeared due to rounding
Indicated	Limestone	24	98%	24	98%	N/A	
Inferred	Limestone	20	98%	20	98%	N/A	
Total		43	98%	43	98%		

Note: Total may appear to be inconsistent due to appropriate rounding

* Mineral Resources are inclusive of Ore Reserves

[^] This limestone resource and reserve statement of GLD Mine is compiled by Mr Sergio Matteoli and is accurate as at 31 December, 2015. Mr Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

INDEPENDENT QUALIFIED PERSON'S REPORT

Hyper Act Marketing Limestone Mine, Ipoh, Perak, Malaysia, 31 December 2015[^]

Category	Mineral Type	Gross Attributable to SKP: JMG.PRK.(Q) BIL. 63/2015/15/(BK)		Net Attributable to Issuer		Change from previous update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserves							
Proved	Limestone	2.2	96.1	2.2	96.1	N/A	
Probable	Limestone	19.7	96.1	19.7	96.1	N/A	
<i>Total</i>		22.0	96.1	22.0	96.1	N/A	
Resources*							
Measured	Limestone	47	96	47	96	N/A	
Indicated	Limestone	120	96	120	96	N/A	
Inferred	Limestone	10	96	10	96	N/A	
<i>Total</i>		180	96	180	96	N/A	

Note: *Total may appear to be inconsistent due to appropriate rounding*

* *Mineral Resources are inclusive of Ore Reserves*

[^] *This limestone resource and reserve statement of HAM Mine is compiled by Mr Sergio Matteoli and is accurate as at 31 December, 2015. Mr Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical Society of America and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sergio Matteoli has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX F – GLOSSARY

aggregates	A granular rick product obtained by processing of natural materials through crushing and screening
brightness	A measure of how much light is reflected by a material under specified conditions and is usually reported as a percentage of how much light is reflected
calcination	A thermal treatment process in presence of air or oxygen applied to limestone to bring about a thermal decomposition, a phase transition or removal of a volatile fraction
calcite	The most stable crystalline form of calcium carbonate (CaCO ₃)
Competent Person	A minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation' (RPO), as included in a list available on the JORC and Australian Securities Exchange (ASX) websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.
Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with other relevant operational factors and detailed analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study
GCC	Ground calcium carbonate, which is produced through mechanical grinding of naturally occurring calcium carbonate rocks and is a most commonly used mineral in the paper, plastic, paints and coating industries as a filler and also as a coating pigment
"Indicated Mineral Resource" or "Indicated Resource"	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered An indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve

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“Inferred Mineral Resource” or “Indicated Resource”	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drilling holes An inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
JORC	Joint Ore Reserves Committee
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
karst landscape	landscape formed from the dissolution of soluble rocks including limestone
limestone	Sedimentary rock composed largely of calcium carbonate (CaCO ₃)
marble	Non-foliated metamorphic rock that is produced from the metamorphism of limestone or dolomite. It is thoroughly recrystallized and much, if not all, of the sedimentary and biological textures are obliterated
“Mineral Resource” or “Resource”	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quality that there are reasonable prospects for eventual economic extraction. The location, quality, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resource are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
“Measured Mineral Resource” or “Measured Resource”	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, working and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve
metamorphic rock	A rock which has undergone profound physical and/or chemical change due to high pressure or heat

INDEPENDENT QUALIFIED PERSON'S REPORT

Modifying Factors	Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic marketing, legal, environment, social and governmental factors
MYR	Malaysia Ringgit, official currency of Malaysia
Ore Reserves	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves
PCC	Precipitated calcium carbonate, which is produced through a chemical reaction process that utilises calcium oxide, which is quicklime, water and carbon dioxide and has many industrial applications such as paper industry, polymer and healthcare applications
Pre-Feasibility Study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
Probable Ore Reserve" or "Probable Reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource
Proved Ore Reserve" or "Proved Reserve"	The economically mineable part of a Measured Mineral Resource
quarrying	The extraction of stone or other materials from a quarry
USD	United States Dollar

END OF REPORT



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