2017 ANNUAL REPORT

GCCP RESOURCES LIMITED

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.

COMMITMENT

We are committed to delivering beyond the expectations of our customers through the supply of high-quality products and the relentless pursuit of best-in-class mining and manufacturing capabilities.

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

CORPORATE PROFILE

GCCP Resources Limited ("GCCP" and, together with its subsidiaries, the "Group") is primarily engaged in the quarrying and the processing of calcium carbonate. The Group owns one of the biggest reserves of ground calcium carbonate ("GCC") in Malaysia. The Group's quarries, namely Gridland Quarry and Hyper Act Quarries, are located in Ipoh, in the state of Perak. Collectively, the quarries hold about 239 million tons of precipitated calcium carbonate ("PCC") and GCC-grade calcium carbonate resources and 26 million tons of PCC and GCC-grade calcium carbonate reserves. Both quarries have cleared the Environmental Impact Assessment (EIA), and are operated in compliance with its Malaysia government-approved Environmental Management Plan. GCCP was listed on the Catalist of the Singapore Exchange Securities Trading Limited on 30 April 2015.

TABLE OF CONTENTS

This Annual Report has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (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 Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and E-mail: sponsorship@ppcf.com.sg).

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

We continued to make steady progress in the financial year ended 31 December 2017 ("FY2017") as we expanded our order book and scaled up production capacity to meet the order demand. Nevertheless, we also encountered operational challenges that tested our mettle, even as we worked hard to maintain our competitiveness and improve our ability to deliver to our customers' expectations.

FINANCIAL REVIEW

Backed by several new contracts secured in FY2017, the Group's revenue improved to RM21.7 million, compared to RM12.2 million recorded in the financial year ended 31 December 2016 ("FY2016"). We delivered higher volumes of crushed of precipitated calcium carbonate grade calcium carbonate stones ("PCC stones") from our Gridland Quarry during the year, and recorded maiden revenue contribution from the delivery of crushed ground calcium carbonate grade calcium carbonate stones ("GCC stones") from our two Hyper Act Quarries. In terms of product type, the sale and delivery of PCC stones and GCC stones contributed RM12.7 million and RM9.0 million in revenue respectively in FY2017.

In line with the higher level of business activity, cost of sales rose to RM9.4 million, from RM5.5 million in FY2016. Gross profit thus improved to RM12.3 million, compared to RM6.6 million a year ago. Reflecting the greater economies of scale generated, gross profit margin also increased to 57% in FY2017, from 55% in FY2016.

General and administrative expenses declined 19% to RM11 million, from RM13.7 million a year ago. This was mainly due to lower employee expenses and the absence of professional fees paid in relation to a land acquisition in FY2016; this is offset by higher expenditure arising from exploration activities to identify new extraction points at the quarries.

Selling and distribution expenses rose to RM7.2 million, from RM2.8 million in FY2016, in line with the increase in the export and delivery of crushed calcium carbonate stones to customers.

We recorded a foreign exchange loss of RM338,000 in FY2017, compared to a gain of RM163,000 in FY2016, arising from the conversion of sales proceeds received in US dollar on account of the depreciation of the US dollar against the Malaysia ringgit.

CHAIRMAN'S STATEMENT

In all, our net loss attributable to shareholders has narrowed significantly to RM6.8 million in FY17, compared to RM10.3 million a year ago.

The value of our property, plant and equipment stood at RM95.2 million as at 31 December 2017, compared to RM96.7 million as at 31 December 2016. The difference is due to the net depreciation and amortisation charges of RM5.4 million, offset by a RM3.9 million addition of property, plant and equipment.

Inventories increased to RM4.0 million as at 31 December 2017, from RM1.0 million a year ago, as we increased production of crushed stones at the Hyper Act Quarries to meet new orders.

Current liabilities amounted to RM18.1 million as at 31 December 2017, compared to RM18.0 million as at 31 December 2016, taking into account increase in trade and other payables in line with the increase in business activities at the Hyper Act Quarries, as well as lower loans and borrowings in view of a reclassification of some of these borrowings to non-current liabilities, along with repayments made during the financial year.

Non-current liabilities stood at RM38.4 million as at 31 December 2017, versus RM31.7 million a year ago, taking into consideration a drawdown of loans, reclassification of claims made by a discontinued contractor from current trade payables, as well as a reclassification of short-term borrowings to long-term ones following the receipt of the bank's approval to defer repayment. These were partially offset by the partial repayment of a loan amount owed to a director.

We generated net cash from operating activities of RM7.5 million in FY2017, compared to net cash outflow of RM1.0 million in FY2016. Net cash of RM3.3 million used in investing activities arose from the development cost incurred for the building of infrastructure at Hyper Act Quarries and the addition of machinery and equipment. Net cash of RM3.5 million used in financing activities was mainly due to net repayment of loans and interest payment.

OPERATIONS REVIEW

Since our listing, we have received significant interest in our crushed calcium carbonate stones and have been working with some key industry players for trial shipments and testing of these products.

CHAIRMAN'S STATEMENT

We continued to build positive momentum with the sale of our crushed GCC and PCC stones during the year. Our customer base has also expanded along with contracts secured. This positive momentum is testimony to the quality of our reserves and resources.

To ensure that our products meet the expectations of our customers, we have stepped up efforts to strengthen our operations. The mining and quarrying processes involve the breaking of blasted calcium carbonate boulders into rocks, which are then loaded onto trucks for transportation to the crushing plant for crushing into the required sizes. While we previously engaged contractors for all aspects of our operations – drilling, blasting, mining and quarrying – we have now brought the mining and quarrying operations at the Gridland Quarry and Hyper Act Quarries, wholly under direct management and control.

As a result, we now have a complete team comprising a Quarry Manager, experienced drilling and blasting operators as well as a dedicated ground crew to ensure synchronisation of our processes. In the long run, we expect this integration to bring about cost efficiency for the Group.

With our production capacity gradually being increased since FY2016 to meet rising customer demand, our crushing plant at Gridland Quarry has achieved an average output level of 45,000 metric tonnes per month from March 2017. At this level, we have been able to ensure regular shipments to our customers with consistent quality.

At the Hyper Act Quarries, the improved infrastructure that we had put in place in FY2016 has improved communication and site management efficiency, and provided our staff with a conducive working environment in which to oversee the quarrying and crushing processes.

We continued to receive enquiries for our crushed GCC stones from the steel, paper and other industries in Asian markets such as Indonesia, India and Bangladesh. To prepare ourselves for the anticipated increase in demand, we have blasted and are preparing to construct a second access chute to the top of the calcium carbonate hill at Hyper Act Quarry 1, which opens up a dedicated route for the transportation of waste material down to ground level. As we scale up production of GCC stones, we will need to create more extraction points to locate calcium carbonate deposits that meet the different quality standards required. The second chute will thus be used as an alternate route in the future, giving us access to more areas on the hill for blasting and extraction.

Nevertheless, in the course of ramping up our production, we encounter teething issues that consequently delayed deliveries of crushed GCC stones to an overseas customer. Working closely with the customer, we resolved the issues in the 2018 financial year and are also in discussions for new orders.

As we prepare to go full steam ahead at both the Hyper Act Quarries and Gridland Quarry, ensuring our crushing plants are always in good working condition is of paramount importance. To that end, we have implemented clear standard operating procedures for the crushing plant and trained all our operators to abide strictly by these procedures while encouraging them to take the initiative to identify and report issues. Our crushing plants also undergo weekly maintenance to keep them in tip-top condition.

In the year ahead, we will continue to leverage our capabilities and industry know-how to capitalise on opportunities that are ripe for the taking. We have forged strong partnerships with leading industry players and built a good base of customers and partners. Nevertheless, we are also mindful that a strong and enduring competitive advantage is essential to continue growing our business. At present, we are in the midst of positive discussions with current customers to extend orders into the 2018 financial year.

Operationally, we have plans to expand the supply of raw calcium carbonate from the Hyper Act Quarry 1, as well as increase production levels of crushed GCC stones with consistent quality.

At Gridland Quarry, we are steadily working to increase our production capacity to a target level of 60,000 metric tonnes. This will allow us to take on more orders to reinforce our revenue stream.

A WORD OF APPRECIATION

I would like to express my gratitude to my staff and management team who have faced the challenges we encountered with grit and perseverance. I would also like to place on record my appreciation for our board members, who have also been very generous with their counsel and wisdom.

Dato Thomas Koh, who has served on our Board since our listing, has stepped down as Independent Director in November 2017, and I thank him for his contribution over the years and wish him all the best in his future endeavours. I am pleased to welcome Mr Yang Zheng on board as our independent director. Mr Yang will serve as the Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. He brings with him extensive experience in mineral asset valuation.

I would also like to thank our business partners and shareholders for standing by us as we work hard to bring greater value to you. With all of your support, I am confident that we will be able to surmount our challenges and reap the hard-earned fruits of our labour.

ALEX LOO
Executive Chairman & CEO

BOARD OF DIRECTORS

LOO AN SWEE ("ALEX LOO")
Executive Chairman and CEO

Alex Loo, 50, 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 Resources, 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.

PANG KIM CHON
Executive Director and COO

Pang Kim Chon, 54, 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.

KELVIN YAU KIRK MIN
Lead Independent Director

Kelvin Yau Kirk Min, 46, was appointed on 30 September 2016, and serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr Yau has extensive experience in the finance sector and is currently the Chief Financial Officer of Imperium Solutions Pte Ltd. He was formerly the Financial Controller of Glenn Defense Marine (Asia) Pte Ltd and Breadtalk Group Ltd. Prior to that, he served as Group Finance & Business Development Manager of Save Our Planet Investment Pte Ltd, the Finance Manager of Reed Exhibitions China and the Financial Controller of Jollibean Foods Pte Ltd.

Mr Yau holds a Master in Applied Finance from Macquarie University in Sydney, Australia. He is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants, and also a Fellow member of the Association of Chartered Certified Accountants UK (FCCA) since 1999.

TENG CHANG YEOW
Independent Director

Teng Chang Yeow, 54, 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, Malaysia, 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 the Universiti Sains Malaysia.

BOARD OF DIRECTORS

YANG ZHENG
Independent Director

Yang Zheng, 31, was appointed to the Board on 3 May 2017, and serves as Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Mr Yang has extensive experience in the valuation of mineral assets, with more than 100 valuations conducted for diverse types of mineral assets across many countries. He currently serves as Responsible Officer at Hong Kong-based Phoenician Advisory Ltd.

Mr Yang was the Director of Research and Asset Management at Cedrus Investments Ltd in Hong Kong and was responsible for its minerals and energy portfolio. Prior to that, he was Director, Mineral & Energy Advisory, Valuation with GCA Group, listed on the Stock Exchange of Hong Kong. He was formerly Senior Analyst at Global Mining Pty Ltd, Strategic Investment Department and also interned at the Trade Finance Department of HSBC Bank (China) Co Ltd.

Mr Yang holds a Doctor of Philosophy in Mineral Economics from the China University of Geosciences, and a Master of Finance and Bachelor of Commerce from the University of New South Wales in Australia. He is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Financial Analyst charterholder.

PAY CHER WEE
Non-Executive, Non-Independent Director

Pay Cher Wee, 48, 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 ("Accion"), a registered fund management company that 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 Chief Financial Officer 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, 45, 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 for Gridland and Hyper Act Quarries

Loh Heng Kwai, 56, is the Group's Director of Operations for Gridland and Hyper Act Quarries. He joined the Group in October 2011 and is responsible for designing and planning quarrying operations at the Gridland and Hyper Act Quarries. He also oversees other 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
Kelvin Yau Kirk Min	Lead Independent Director
Teng Chang Yeow	Independent Director
Yang Zheng	Independent Director
Pay Cher Wee	Non-Executive and Non-Independent Director

AUDIT COMMITTEE

Kelvin Yau Kirk Min	Chairman
Teng Chang Yeow	
Pay Cher Wee	
Yang Zheng	

NOMINATING COMMITTEE

Teng Chang Yeow	Chairman
Pay Cher Wee	
Kelvin Yau Kirk Min	
Yang Zheng	

REMUNERATION COMMITTEE

Yang Zheng	Chairman
Teng Chang Yeow	
Pay Cher Wee	
Kelvin Yau Kirk Min	

COMPANY SECRETARY

Leong Chee Meng, Kenneth

REGISTERED OFFICE

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SHARE REGISTRAR AND SHARE TRANSFER AGENT

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Singapore 048623

CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
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Singapore 049318

INDEPENDENT AUDITORS

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

Partner-in-charge: Adrian Koh Hian Yan
(Date of appointment: since the financial year ended 30 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 Quarries

Through its wholly owned subsidiaries, GCCP Gridland Sdn Bhd and Hyper Act Marketing Sdn Bhd, the Group owns three calcium carbonate assets, namely Gridland Quarry, Hyper Act Quarry 1, and Hyper Act Quarry 2. Three quarries are located in Ipoh, Perak, Malaysia.

Subsidiary Company	*Quarry*
GCCP Gridland Sdn Bhd	Gridland Quarry
Hyper Act Marketing Sdn Bhd	Hyper Act Quarry 1
	Hyper Act Quarry 2 (Collectively the "Hyper Act Quarries")

Gridland Quarry

Total land area of Gridland Quarry is approximately 25 acres, with a mining elevation between 50m to 240m. It holds mainly PCC-grade calcium carbonate resources and reserves as follows:–

Gridland Quarry	*Tonnage (Mt)*
Measured Resource	2
Indicated Resource	20
Probable Ore Reserves	4.0

Note: As at 31 December 2017. Please refer to the Independent Qualified Person's Report for more details.

Gridland Quarry produces high-quality crushed PCC-grade calcium carbonate stones for downstream industries. The crushed stones are produced in three sizes for supply to the local and overseas markets, namely up to 30mm, 30-50mm and 50-100mm. These product sizes have the highest demand in the market.

Hyper Act Quarries

Hyper Act Quarry 1 and Hyper Act Quarry 2 have a combined land area of approximately 80 acres, with a mining elevation between 100m and 400m. They hold mainly GCC-grade calcium carbonate resources and reserves as follows:–

Hyper Act Quarries	*Tonnage (Mt)*
Measured Resource	51
Indicated Resource	140
Proved Ore Reserves	2.2
Probable Ore Reserves	19.6

Note: As at 31 December 2017. Please refer to the Independent Qualified Person's Report for more details.

Hyper Act Quarries produces crushed GCC-grade calcium carbonate stones for both local and overseas markets. Collectively, they reinforce the Group's position as the owner of one of the largest GCC-grade calcium carbonate reserves and resources in Malaysia. The crushed stones are produced in three sizes, namely up to 10mm, 10mm-40mm and 40-100mm.

Operational Updates

Since we began operating Gridland Quarry in 2013, we have successfully built a skilful, knowledgeable and experienced mining and quarrying team led by our Quarry Manager. In view of this, we have ceased our engagement of a third-party quarry contractor. The mining and quarrying processes will be performed by our own team, with the aim of maximizing our productivity, profit as well as enhancing cost efficiency in long run. Currently running at an output level of 45,000 tonnes, we hope to achieve a production of 60,000 tonnes per month for the Gridland Quarry, once infrastructure development for access to the top hill area is completed by second half of 2018.

We continue to receive consistent repeat orders for our PCC-grade stones from our existing local and overseas customers in various industries such as paper, quicklime, adhesive, etc.

We made a vital and pragmatic decision to acquire Hyper Act Quarry 2 not only for the additional reserve but also due to its close proximity to Hyper Act Quarry 1. We have developed the infrastructure to access one of the best spots on the hill, at about 250m of mining elevation through Hyper Act 2 with minimal disruption from other neighboring operators. Access to this part of the hill will allow us to save time and cost wastage when extracting the highest-grade stones from the quarry.

The operations team faced a tough challenge at Hyper Act Quarries as it removed third-party contractors for its mining and quarry activities. As of October 2017, the mining team includes the blasting, drilling operators and shot firers; the team also manages all vehicles, including wheel loaders, back-pushers and excavators, which have been brought under direct management of the Director of Operations.

We are constantly focus on extracting the best quality GCC stones from our Hyper Act Quarry 1 using our 1,000-tonne per hour crushing plant which has commenced operation since the first quarter of 2017. The hard work and effort paid

OPERATIONS REVIEW

off as we successfully delivered products from this quarry to our customers, and thereafter successfully bagged contracts for the supply of crushed GCC stones to a leading global player. With the breakthrough in Hyper Act Quarry 1, we are confident of achieving a higher production level to fill the demand gap in the market in the near future.

In relation to the proposed powder plant remains unchanged. Construction of this plant will be put on hold until we are generating stable revenue and cash flows from our crushing plant.

Operating Licenses and Approvals

We have successfully renewed our Quarry Approval Letter, which also known as Surat Kelulusan Skim Kuari ("SKSK"), for Gridland Quarry, Hyper Act Quarry 1 and Hyper Act Quarry 2. This approval is required for all quarry operations.

The Quarry Approval Letters obtained are as follows:–

Quarry	*Reference Number*	*Validity*
Gridland Quarry	JMG.PRK.(Q) BIL. 05/2018/11/(Ls)	01.01.2018 – 31.12.2018
Hyper Act Quarry 1	JMG.PRK.(Q) BIL. 59/2017/15/(Ls)	01.07.2017 – 30.06.2018
Hyper Act Quarry 2	JMG.PRK.(Q) BIL. 60/2017/16/(Ls)	01.07.2017 – 30.06.2018

Quality Assurance and Control

Meticulous quality assurance and quality control processes are conducted to ensure our products adhere to the quality criteria and the requirement of our customers. During FY2017:

1. We have engaged a top player in the calcium carbonate industry to conduct a comprehensive research on our hills to study and locate the high quality raw material spots at different faces of the hills.

2. We conducted a feasibility study on the installation of X-ray fluorescence (XRF) analyser. The study confirmed that the XRF is a necessary instrument for quality control inspection, but due to the cash flow constraints, the installation will be delayed. Meanwhile, we will continue sending our calcium carbonate products to third-party laboratories for quality analysis after each blasting and crushing. Besides, we have been sending our crushed calcium carbonate products for analysis at laboratories overseas to determine if the quality meets the requirement of possible downstream industries that the Group could potentially venture into.

3. We have found that the high investment cost involved in installing an optical sorter machine does not justify the efficiency improvement that it delivers.

Environmental Risks Mitigation and Measures

We have implemented several appropriate mitigation and monitoring measures of environmental impact associated with quarrying activities, in accordance with the recommendations of the Department of Environment ("DOE").

OPERATIONS REVIEW

The DOE continues to place emphasis on the top three environmental risks associated with quarrying activities: noise and vibration levels, air quality and water quality. As we have increased the number of our machines, the DOE has raised concerns that our chemical handling procedure (especially diesel and lubricants) to prevent spillage may pollute both surface and underground water. We are working closely with our independent environmental auditor to monitor all the environmental risks raised by the DOE and submitting the monitoring report to the DOE as required.

Our success in renewing the SKSK for all three quarries confirms that our environment management practices are in compliance with environmental regulations.

Safety, Health and Environment

The Safety, Health and Environment Committee ("SHE") is committed to provide and maintain a safe and healthy working environment for all our employees, contractors and other persons who may be affected by quarry activities. This is in line with our good governance practices. We recognise that safety, health & environmental management are essential to the well-being of the organisation, and are therefore continually improving, updating and adapting to latest standards. Similarly, we will do what is reasonable to avoid or to minimise any adverse environmental impact from our activities and promote and adopt initiatives that promote environmental sustainability.

During the year, we have implemented the best practices in risk assessment to align risk management for health and safety with the management of corporate risk. Continuous trainings on safety, health and environment were given to all our employees and contractors in ensuring they carry out their work in a safe and proper manner. There was no accident reported during the financial year and we are targeting for all our quarries to achieve a 'ZERO' accident record in 2018.

Corporate Social Responsibility

We strive to minimise the impact of our business activities on the environment. Thus, we do not only focus on the disruptions to environment arising from our mining and quarry activities; we also cultivate and raise the awareness among our employees. We encourage and support any form of environment friendly programmes, particularly those initiated by our employees.

Our employees have launched a "Reduce, Reuse, Recycle – Paper" initiative in our daily business operations. The focus of the initiative is to reduce paper consumption particularly in the office. We strongly believe that we are doing our part to reduce greenhouse gas emissions that contribute to climate change.

We continue to organise regular tree-planting projects as well as relocating and replanting affected trees in our effort to preserve the greenery of our quarry sites. We also continually dampen the main access to our quarry sites in order to maintain air quality of surrounding 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 adopted the corporate governance practices recommended in the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**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 2017 ("**FY2017**"). The Company has complied with the principles and guidelines as set out in the Code and Guide, where applicable, proper explanations have been 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 for real property or other assets. The threshold for the Board's approval for other assets would be based on the lower of RM10 million per transaction or 10% of the Group's net book value;
- Material transactions which include major investments or divestments. Depending on the extent of the Group's equity investment or divestment, the thresholds include, *inter-alia*, the lower of RM10 million per transaction or 10% of the Group's net book value;
- Dividend decisions;

REPORT ON CORPORATE GOVERNANCE

- Announcements to be released on SGXNET; and
- Strategic decisions.

The Board conducts 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 FY2017 was as follows:

	Board	AC	NC	RC
Number of meetings held in FY2017	4	4	1	1
Name of Director	**Number of meetings attended in FY2017**			
Loo An Swee	4	–	–	–
Pang Kim Chon	4	–	–	–
Kelvin Yau Kirk Min	4	4	1	1
Dato Thomas Koh Boon Thye(1)	3	3	1	1
Teng Chang Yeow	4	4	1	1
Pay Cher Wee	3	3	1	1
Yang Zheng(2)	3	3	–	–

Notes:

(1) *Dato Thomas Koh Boon Thye, who was first appointed as an Independent Director on 30 September 2014 resigned from the Board on 30 November 2017. Following his resignation as a Director, Dato Thomas Koh Boon Thye also ceased to be the Chairman of the Remuneration Committee and member of the Audit and Nominating Committees.*

(2) *Mr Yang Zheng was appointed to the Board on 3 May 2017. Mr Yang Zheng was also appointed as a member of the Audit, Nominating and Remuneration Committees. Following the resignation of Dato Thomas Koh Boon Thye, Mr Yang Zheng was appointed as the Chairman of the Remuneration Committee on 30 November 2017.*

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.

REPORT ON CORPORATE GOVERNANCE

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 Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the SGX-ST and industry-related matters, to develop themselves professionally, at the Company's expense. Briefings, updates and trainings for the Directors in FY2017 included:

- briefing by the external auditors ("**EA**") on changes or amendments to the financial reporting standards at the AC meetings;
- updates by the Company Secretary on amendments to the Catalist Rules; and
- training attended by newly appointed first time Director, Mr Yang Zheng, 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

As at date of this report, the Board comprises six (6) 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	Directorships Held in Other Listed Companies in the Preceding 3 Years
Loo An Swee	Executive Chairman and Chief Executive Officer	2 December 2013	28 April 2017	–	–	–	–	–
Pang Kim Chon(1)	Executive Director and Chief Operating Officer ("**COO**")	2 December 2013	29 April 2016	–	–	–	–	–
Kelvin Yau Kirk Min	Lead Independent Director	30 September 2016	28 April 2017	Chairman	Member	Member	–	–
Teng Chang Yeow	Independent Director	1 March 2016	29 April 2016	Member	Chairman	Member	–	–
Pay Cher Wee	Non-Executive and Non-Independent Director	1 March 2016	29 April 2016	Member	Member	Member	–	–
Yang Zheng(2)	Independent Director	3 May 2017	–	Member	Member	Chairman	–	–

Notes:

*(1) Mr Pang Kim Chon will retire pursuant to Article 86(1) of the Articles and is subjected to re-election as a Director at the forthcoming Annual General Meeting ("**AGM**") of the Company to be held on 27 April 2018. Upon re-election, Mr Pang Kim Chon will remain as an Executive Director and Chief Operating Officer of the Company.*

(2) Mr Yang Zheng will retire pursuant to Article 85(6) of the Articles and is subjected to re-election as a Director at the forthcoming AGM of the Company to be held on 27 April 2018. Upon re-election, Mr Yang Zheng will remain as the Independent Director, Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. Mr Yang Zheng is considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules.

REPORT ON CORPORATE GOVERNANCE

In FY2017, the NC has 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 has assessed and is satisfied that Mr Kelvin Yau Kirk Min, Mr Yang Zheng and Mr Teng Chang Yeow are independent. The Independent Directors have also confirmed their independence in accordance with the Code.

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 not 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; and

b) Page 32 – Interest at the end of FY2017 in shares, debentures and share options in Company and in related corporations.

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

The NC has reviewed the size and composition of the Board for effective decision making for FY2017, taking 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 expertise of the Non-Executive Directors 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. For FY2017, the Non-Executive Directors have met in the absence of the Management.

Led by the Lead Independent Director, the Independent Directors may at any time meet separately without the presence of the other Directors. For FY2017, the Independent Directors had met without the presence of the other Directors.

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 Directors	**Proportion of Board**
Core Competencies		
Accounting or finance related	4	66%
Business and management experience	6	100%
Legal or corporate governance knowledge	3	50%
Relevant industry knowledge	4	66%
Strategic planning experience	6	100%

REPORT ON CORPORATE GOVERNANCE

The Board takes 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 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. With the help of the Company Secretary, Mr Loo ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with the fellow Directors and other executives, and if warranted, with professional advisors.

The 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, Mr Kelvin Yau Kirk Min is appointed as our Lead Independent Director, and makes himself 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, by way of an appointment which can be made at the Company's registered address.

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:

(a) reviewing and recommending the nomination or re-nomination of the Directors having regard to their contribution and performance;

(b) determining on an annual basis whether or not a Director is independent;

(c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; and

(d) 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 comprises four (4) Directors, three of whom including the Chairman, are non-executive and independent. The NC will meet once a year, and as warranted by circumstances, to discharge its functions. The NC members are:

- Teng Chang Yeow (Chairman)
- Yang Zheng
- Pay Cher Wee
- Kelvin Yau Kirk Min

The Articles requires every Director to retire after three (3) years being in office at each AGM. Pursuant to Article 86(1), 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
Pang Kim Chon	Executive Director and COO	86(1)
Yang Zheng	Independent Director	85(6)

Pursuant to the Article 86(1) of the Articles of Association, Mr Pang Kim Chon 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, Mr Pang Kim Chon will remain as the Executive Director and COO.

Pursuant to the Article 85(6) of the Articles of Association, Mr Yang Zheng who was appointed by the Board on 3 May 2017, will retire, being eligible and having consented, be nominated for re-election as Director at the forthcoming AGM. Subject to being duly re-elected, Mr Yang Zheng will remain as the Independent Director. Upon re-election as Director, Mr Yang Zheng will remain as Chairman of the RC, a member of the AC and NC. Mr Yang Zheng is considered to be independent by the Board (save for Mr Yang Zheng himself) for the purposes of Rule 704(7) of the Catalist Rules.

In arriving at its nomination of Directors for re-election, the NC takes into consideration factors such as the contribution and participation of the individual Director at Board or committee meetings, commitment to Board and Company matters; as well as continued relevance of his area of expertise or industry knowledge to the Board's collective competencies and effectiveness. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment to the Board for consideration and approval.

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.

REPORT ON CORPORATE GOVERNANCE

Potential candidates for appointment as Directors would be sourced from the referrals and networks of the members of the NC and the Executive Directors. Notwithstanding, should the need arise to expand the pool of suitably qualified candidates, 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 recommending the appointment for approval by 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 FY2017, there was no cap set on the maximum number of listed company directorships that the Directors are allowed to hold as none of the Directors held directorships on the boards of other listed companies. Nevertheless, if 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 FY2017.

In FY2017, the NC had included, amongst others, the following considerations to assess the capacity of 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.

From time to time a Director may be unable to attend to company business for various reasons – for example, traveling overseas. The Articles permits for an alternate director to be appointed to act in the place for such a Director. Such permission is essential, as it removes the need for an additional Director to be appointed which would alter quorum and majority requirements for board meetings. There were no alternate Directors appointed in FY2017.

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.

REPORT ON CORPORATE GOVERNANCE

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. 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 Company Secretary will collate the Directors' evaluations and provide the summary observations to the NC Chairman. Led by 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.

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.

In FY2017, 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 performance of each Director, the NC had considered the attendance and contributions of the Directors during Board and Board Committee meetings as well as commitment to their role as Directors. The NC is of the view that the Board and the Board Committees have operated effectively, each Director had contributed to the overall effectiveness of the Board and met the performance objectives set in FY2017.

The NC also has the option to use an external facilitator to assist in the evaluation process. Taking into consideration the specialized nature of the Group's business and operations and that four (4) out of six (6) Directors are Non-Executive Directors with diverse experience and knowledge across various industries including management and corporate governance, the Board is of the view that it is able to adequately evaluate itself without the appointment of an external facilitator.

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 meetings.

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

Before each meeting, the 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.

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.

REPORT ON CORPORATE GOVERNANCE

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. No member of the RC will be involved in the setting of his remuneration package. 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 four (4) Directors, three (3) 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:

– Yang Zheng (Chairman)

– Teng Chang Yeow

– Pay Cher Wee

– Kelvin Yau Kirk Min

As and when deemed appropriate by the RC, 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 FY2017. The appointment of remuneration consultants will be contemplated in future should there be significant changes to the number of Executive Directors and Key Executive Officers in future or should the size and scope of the Group's operations change significantly.

REPORT ON CORPORATE GOVERNANCE

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 Group.

The RC reviews and recommends to the Board the quantum of Directors' fees and the Board after reviewing, in turn endorses the recommendation for shareholders' approval at the AGM. In FY2017, a recommendation was made to shareholders to approve the total payment of S$160,000 to four (4) Non-Executive Directors for FY2018, 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 FY2018.

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 Officer 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 for a period of three (3) years and shall be automatically renewed upon expiry unless the required termination notice is served. Variation to the terms of the Service Agreements shall be subject to the approval of the Board, the RC and NC and/or if necessary, the shareholders of the Company. Please refer to the Offer Document dated 20 April 2015 (the "**Offer Document**"), pages 140 to 142 for the full details of their Service Agreements. The Service Agreements have been renewed subsequent to expiry in February 2018.

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 FY2017, the RC has reviewed the compensation and remuneration packages of Directors and Key Executive Officers and is satisfied 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. The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key executive officers in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and Key Executive Officers, "claw-back" provisions in the service agreements may not be relevant or appropriate.

REPORT ON CORPORATE GOVERNANCE

Principle 9 – Disclosure on Remuneration

The breakdown (in percentage terms) of the remuneration of Directors of the Company in FY2017 was set out below:

Directors	Salary and allowance[2] (%)	Director's Fees[1] (%)	Total (%)
From S$0 to S$250,000			
Loo An Swee	100	0	100
Pang Kim Chon	100	0	100
Dato Thomas Koh Boon Thye[3]	0	100	100
Pay Cher Wee	0	100	100
Teng Chang Yeow	0	100	100
Kelvin Yau Kirk Min	0	100	100
Yang Zheng[4]	0	100	100

Notes:

(1) *The Director's fees were approved by shareholders at the last AGM.*

(2) *The salary and allowance amounts shown are inclusive of Employees Provident Funds contributions respectively.*

(3) *Dato Thomas Koh Boon Thye resigned as a Director on 30 November 2017. The total director's fees paid to Dato Thomas Koh Boon Thye in FY2017 amounted to S$36,667.*

(4) *Mr Yang Zheng was appointed to the Board of Directors on 3 May 2017.*

Given the highly specialised industry in which the Group operates in, and the 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 the two (2) top Key Executive Officers of the Group in FY2017 are set out below:

Remuneration and Name of Key Executive Officers[1]	Designation	Salary and allowance[2] (%)	Total (%)
From S$0 to S$250,000			
Ian Lim Koh Huat	Chief Financial Officer	100	100
Loh Heng Kwai	Director of Operations, Gridland Sdn Bhd	100	100

Notes:

(1) *The Group only has 2 Key Executive Officers for the FY2017.*

(2) *The salary and allowance shown are inclusive of Employees Provident Funds contributions respectively.*

In aggregate, the total remuneration paid to the 2 top Key Executive Officers was S$198,000 in FY2017.

REPORT ON CORPORATE GOVERNANCE

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 from 1 July 2015 to 30 April 2017; and currently as a Marketing Manager since 1 May 2017, 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 each in FY2017.

The remuneration received by the Executive Directors and Key Executive Officers takes into consideration his individual performance and contribution toward the overall performance of the Group in FY2017. 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 an external remuneration consultant to assist in the review of compensation and remuneration packages, although no such consultant was engaged in FY2017.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key Executive Officers 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

Notwithstanding that the profitability incentives have not been met, save for the aforementioned, the remaining conditions were satisfied.

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**"). 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.

REPORT ON CORPORATE GOVERNANCE

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.

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% 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%). 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 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% 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% 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% 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.

REPORT ON CORPORATE GOVERNANCE

As at the date of the annual report for FY2017, no options have been granted under the ESOS, and no awards have been granted under the Performance Share Plan.

(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). The 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 to 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 to 11. In addition, the Group also sets policies which are based on ethical considerations on issues related to corporate social responsibility.

The 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 FY2017, 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 FY2017 give a true and fair view of the Group's and Company's operations and finances.

REPORT ON CORPORATE GOVERNANCE

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 judgement in decision making, human error, losses, fraud or other irregularities.

Based on the framework of risk management and internal controls established and maintained by the Management, review of work performed by external auditors 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.

Principle 12 – Audit Committee ("AC")

The terms of reference of the AC include the following:

(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 for interested person transactions on a quarterly basis, if any;

(i) quarterly review of the Interested Person Transactions register as maintained by the Company;

(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 if 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 four (4) members, of which, three (3) are Independent Directors, including the Chairman. The members of the AC are:

– Kelvin Yau Kirk Min (Chairman)

– Yang Zheng

– 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. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

In March 2018, the AC had met the internal and external auditors without the presence of the Management.

The aggregate amount of audit fees paid or payable to Ernst & Young LLP ("**Ernst & Young**") in FY2017 was S$152,000. There were no non-audit fees paid or payable to Ernst & Young in FY2017.

In FY2017, 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 Ernst & Young LLP for reappointment as external auditors of the Group at the forthcoming AGM of the Company to be held on 27 April 2018.

REPORT ON CORPORATE GOVERNANCE

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 whistle blowing policy is made available to the public and can be found on the Company's website, on the following address: http://www.gccpresources.com/whistleblower-protection-policy/

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, an 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 Kelvin Yau Kirk Min, the AC Chairman holds the qualifications of Association of Chartered Certified Accountants (ACCA), Certified Management Accountant and Masters in Applied Finance. During FY2017, the AC was provided with updates on the changes to International Financial Reporting Standards 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 had outsourced its internal audit function to RSM Corporate Consulting (M) Sdn. Bhd. which reported directly to the AC. The internal audit function ("**IA**") has an administrative reporting function to the Management where planning, co-ordinating, managing and implementing internal audit work cycle are concerned.

The work undertaken by the IA, was 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. The IA is also staffed with persons with the relevant qualifications and experience.

The appointment and compensation of the IA was reviewed and recommended by the AC and in its annual review, the AC is of the view that the IA is adequately resourced and has appropriate standing within the Company. The IA also has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

(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.

REPORT ON CORPORATE GOVERNANCE

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.

Shareholders will be given the opportunity to air their views and ask Directors or the 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 does not have a formalized investor policy in place. However, it 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 within one month from the date of the AGM.

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 FY2017 as it is not profitable for the financial year. The Company does not have a fixed dividend policy yet. Nonetheless, as and when the Company is profitable and taking into other considerations such as working capital requirements, the Management will assess and make appropriate recommendations to the Board on dividend declaration.

(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 its 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 Futures 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 during 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.

REPORT ON CORPORATE GOVERNANCE

(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 FY2017. The Company does not have an IPT mandate.

The director's loan of MYR4.9 million is interest free with no fixed repayment term and no interest consideration was/will be paid by the Company and hence, there is no value at risk to the Group. Repayment to the Director will only take place when funds are deemed available.

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

The Company has fully utilized the Company's share placement net proceeds from the initial public offer.

(H) MATERIAL CONTRACTS

Save for the Service Agreements entered with the Executive Directors as disclosed on pages 140 to 142 of the Offer Document, there was no other material contracts 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 FY2017 or if not then subsisting, entered into since the end of the previous financial year.

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

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2017.

(J) SUSTAINABILITY

The Group realizes that sustainable business practices is an integral part of the existence of the organization for the long-term development and success of our business. We will be issuing our first Sustainability Report this year, which is based on the Global Reporting Initiative ("**GRI**"), G4 Reporting Guidelines and will be uploaded at our website as well as SGXNET by 31 December 2018.

You may wish to refer to our website at www.gccpresources.com as well as SGXNET after 31 December 2018 for more details on our Sustainability Report.

DIRECTORS' STATEMENT

The directors are pleased to present their statement 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 2017.

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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 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 statement, based on factors as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Loo An Swee
Pang Kim Chon
Teng Chang Yeow
Pay Cher Wee
Kelvin Yau Kirk Min
Yang Zheng (appointed on 3 May 2017)

In accordance with Articles 86(1) and 85(6) of the Company's Articles of Association, Pang Kim Chon and Yang Zheng retire and, being eligible, offer themselves for re-election.

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.

DIRECTORS' STATEMENT

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:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Ordinary shares of the Company				
Loo An Swee	461,190,880	411,440,880	178,719,080	178,719,080
Pang Kim Chon	–	–	178,719,080	178,719,080
Teng Chang Yeow	19,959,540	19,959,540	–	–
Pay Cher Wee	2,800,500	2,800,500	35,487,632	32,712,300

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

Except as disclosed in this statement, 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 date of appointment if later, or at the end of the financial year.

OPTIONS

No options were issued by the Company during the financial year. As at 31 December 2017, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

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.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Loo An Swee
Director

Pang Kim Chon
Director

11 April 2018

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of GCCP Resources Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended on that date.

Basis for qualified opinion

As disclosed in Note 13 to the financial statements, the Group has a refundable deposit amounting to RM 6,006,566. We were not provided with sufficient information and explanations we considered necessary to obtain adequate assurance to satisfy ourselves as to the recoverability of the refundable deposit. Consequently, we were unable to determine whether any adjustment to the carrying value of refundable deposit is required.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 2.1 to the financial statements. The Group incurred losses amounting to RM 6,841,337 for the financial year ended 31 December 2017. As at that date, included in net current assets of RM 19,966,866 are restricted fixed deposits of RM 22,198,495. These fixed deposits were pledged against the Group's total borrowings of RM 38,033,193. Of the Group's loans and borrowings, the amount that are due for repayment within the next 12 months amounted to RM 7,936,211. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the Group continuing to receive support from the Bank in terms of availability of credit facilities and the Group generating sufficient operating cash flows to meet their working capital needs.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence to determine and conclude on the recoverability of the refundable deposit. Accordingly, we were unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key audit matter

Key audit matter is those matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to the matter below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of property, plant and equipment

The Group incurred losses before tax amounting to RM 7,033,447 for the year and this indicates that certain assets may be impaired. Accordingly, the Group carried out an impairment assessment on the property, plant and equipment of the subsidiary which contributed to the Group's loss for the year. The assets subjected to impairment assessment were leasehold quarry lands and crusher plants ("production assets") and management assessed the recoverable value of these assets based on value in use calculations derived from cash flow projections. This matter is significant to our audit due to the material carrying amounts and the significant management estimates involved in the impairment assessment.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Key audit matter (Continued)

Our audit procedures included the following:

- We assessed the appropriateness of the methodology used by management.
- We considered the robustness of management's budgeting process by comparing the actual financials against previous forecast and projections.
- We tested the reasonableness of key assumptions used in the value in use calculation, such as revenue and cost projections, long term growth rates and discount rates by comparing to contractual and historical sales volume and prices, and other relevant market data.
- We checked the arithmetical accuracy of the impairment computation.
- We reviewed management's sensitivity analysis on changes in these key assumptions to changes in the recoverable amounts of these assets.

We also assessed the adequacy of the disclosures on the property, plant and equipment in Note 10 of the financial statements.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Auditor's responsibilities for the audit of the financial statements (Continued)

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh Hian Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group	
	Note	**2017**	**2016**
		RM	**RM**
Revenue	4	**21,745,326**	12,196,730
Cost of sales		**(9,424,034)**	(5,547,473)
Gross profit		**12,321,292**	6,649,257
Other item of income			
Other income	5	**1,209,418**	1,664,384
Other items of expense			
Selling and distribution expenses		**(7,203,940)**	(2,846,187)
General and administrative expenses		**(11,026,728)**	(13,657,729)
Finance costs	6	**(2,333,489)**	(1,916,466)
Loss before tax	7	**(7,033,447)**	(10,106,741)
Income tax credit/(expense)	8	**192,110**	(192,110)
Loss for the year, representing total comprehensive loss for the year attributable to owners of the Company		**(6,841,337)**	(10,298,851)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	**0.59**	0.89

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	**95,227,394**	96,695,902	**–**	–
Investments in subsidiaries	11	**–**	–	**2,414,000**	3,500,000
		95,227,394	96,695,902	**2,414,000**	3,500,000
Current assets					
Inventories	12	**3,983,410**	1,026,720	**–**	–
Trade and other receivables	13	**10,747,714**	14,233,812	**93,591,804**	112,361,162
Prepayments		**14,500**	–	**–**	–
Pledged deposits	14	**22,198,495**	21,336,308	**–**	–
Cash and short-term deposits	15	**1,130,175**	19,782	**915,925**	2,526
Income tax recoverable		**2,200**	2,300	**–**	–
		38,076,494	36,618,922	**94,507,729**	112,363,688
Total assets		**133,303,888**	133,314,824	**96,921,729**	115,863,688
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	16	**8,245,817**	6,698,168	**975,860**	2,193,351
Accrued operating expenses		**1,927,600**	985,916	**1,274,196**	700,532
Loans and borrowings	17	**7,936,211**	10,153,362	**–**	–
Income tax payable		**–**	192,110	**–**	–
		18,109,628	18,029,556	**2,250,056**	2,893,883
Net current assets		**19,966,866**	18,589,366	**92,257,673**	109,469,805
Non-current liabilities					
Amount due to a director	16	**4,932,686**	5,626,569	**557,555**	–
Trade payables		**3,407,621**	–	**–**	–
Loans and borrowings	17	**30,096,982**	26,060,391	**–**	–
		38,437,289	31,686,960	**557,555**	–
Total liabilities		**56,546,917**	49,716,516	**2,807,611**	2,893,883
Net assets		**76,756,971**	83,598,308	**94,114,118**	112,969,805
Equity attributable to owners of the Company					
Share capital	18	**164,587,851**	164,587,851	**164,587,851**	164,587,851
Treasury shares	19	**(9,086,355)**	(9,086,355)	**(9,086,355)**	(9,086,355)
Other reserves	20	**4,307,382**	4,307,382	**4,307,382**	4,307,382
Accumulated losses		**(83,051,907)**	(76,210,570)	**(65,694,760)**	(46,839,073)
Total equity		**76,756,971**	83,598,308	**94,114,118**	112,969,805
Total equity and liabilities		**133,303,888**	133,314,824	**96,921,729**	115,863,688

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 2017

	Share capital (Note 18) RM	Treasury shares (Note 19) RM	Accumulated losses RM	Other reserves RM	Total equity RM
Group					
Balance as at 1 January 2016	164,587,851	(13,011,215)	(65,911,719)	–	85,664,917
Loss for the year, representing total comprehensive loss for the year	–	–	(10,298,851)	–	(10,298,851)
Contributions by and distributions to owners:					
Treasury shares reissued	–	5,692,618	–	4,307,382	10,000,000
Purchase of treasury shares (Note 19)	–	(1,767,758)	–	–	(1,767,758)
Total transactions with owners in their capacity as owners	–	3,924,860	–	4,307,382	8,232,242
Balance as at 31 December 2016 and 1 January 2017	**164,587,851**	**(9,086,355)**	**(76,210,570)**	**4,307,382**	**83,598,308**
Loss for the year, representing total comprehensive loss for the year	**–**	**–**	**(6,841,337)**	**–**	**(6,841,337)**
Balance as at 31 December 2017	**164,587,851**	**(9,086,355)**	**(83,051,907)**	**4,307,382**	**76,756,971**
Company					
Balance as at 1 January 2016	164,587,851	(13,011,215)	(40,777,699)	–	110,798,937
Loss for the year, representing total comprehensive loss for the year	–	–	(6,061,374)	–	(6,061,374)
Contributions by and distributions to owners:					
Reissuance of treasury shares	–	5,692,618	–	4,307,382	10,000,000
Purchase of treasury shares (Note 19)	–	(1,767,758)	–	–	(1,767,758)
Total transactions with owners in their capacity as owners	–	3,924,860	–	4,307,382	8,232,242
Balance as at 31 December 2016 and 1 January 2017	**164,587,851**	**(9,086,355)**	**(46,839,073)**	**4,307,382**	**112,969,805**
Loss for the year, representing total comprehensive loss for the year	**–**	**–**	**(18,855,687)**	**–**	**(18,855,687)**
Balance as at 31 December 2017	**164,587,851**	**(9,086,355)**	**(65,694,760)**	**4,307,382**	**94,114,118**

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 2017

	Note	Group 2017 RM	Group 2016 RM
Operating activities			
Loss before tax, total		**(7,033,447)**	(10,106,741)
Adjustments for:			
Depreciation of property, plant and equipment		**5,402,943**	4,649,875
Exploration expenditure		**4,137,630**	2,734,316
Write-off of property, plant and equipment		**8,072**	3,372
Gain on disposal of property, plant and equipment		**–**	(233,170)
Interest income		**(763,522)**	(800,462)
Unrealised exchange loss/(gain)		**338,015**	(181,140)
Finance costs		**2,333,489**	1,916,466
Total adjustments		**11,456,627**	8,089,257
Operating cash flows before changes in working capital		**4,423,180**	(2,017,484)
Changes in working capital:			
Decrease in trade and other receivables		**3,486,098**	1,303,735
Increase in inventories		**(2,956,690)**	(452,665)
Increase in prepayments		**(14,500)**	–
Increase in trade and other payables		**4,955,270**	3,973,372
Increase/(decrease) in accrued operating expenses		**941,684**	(1,893,995)
Total changes in working capital		**6,411,862**	2,930,447
Cash flow generated from operations		**10,835,042**	912,963
Interest received		**763,522**	800,462
Exploration expenditure		**(4,137,630)**	(2,734,316)
Income taxes refunded/(paid)		**100**	(1,100)
Net cash flows generated from/(used in) operating activities		**7,461,034**	(1,021,991)
Investing activities			
Purchases of property, plant and equipment	A	**(3,293,607)**	(893,706)
Proceeds from disposal of property, plant and equipment		**–**	727,000
Net cash flows used in investing activities		**(3,293,607)**	(166,706)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Group 2017 RM	Group 2016 RM
Financing activities			
Repayment of loan from director		**(693,883)**	–
Loan from a director		**–**	5,626,569
Purchase of treasury shares		**–**	(1,767,758)
Proceeds from term loans		**2,286,812**	2,572,350
Repayment of term loans		**(1,300,034)**	(530,429)
Repayment of finance leases		**(571,458)**	(699,743)
Placement of pledged deposits		**(862,187)**	(20,234,509)
Interest paid		**(2,333,489)**	(1,916,466)
Net cash flows used in financing activities		**(3,474,239)**	(16,949,986)
Net increase/(decrease) in cash and cash equivalents		**693,188**	(18,138,683)
Effect of exchange rate changes on cash and cash equivalents		**(338,015)**	–
Cash and cash equivalents at 1 January		**(4,625,045)**	13,513,638
Cash and cash equivalents at 31 December	15	**(4,269,872)**	(4,625,045)

A. Purchases of property, plant and equipment

	Note	2017 RM	2016 RM
Additions to property, plant and equipment	10	**3,942,507**	46,126,253
Less: Prepayments made in prior year		**–**	(9,090,000)
Less: Purchase with treasury shares		**–**	(10,000,000)
Less: Proceeds from term loans		**–**	(24,758,547)
Less: Purchase under finance leases		**(648,900)**	(1,384,000)
Net cash outflow for purchases of property, plant and equipment		**3,293,607**	893,706

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 2017

1. CORPORATE INFORMATION

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 and is listed on the Catalist Board of the Singapore Exchange.

The registered office of the Company is located at P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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.

The Group incurred a loss for the year of RM 6,841,337 during the financial year ended 31 December 2017. As at that date, the Group’s net current assets amounting to RM 19,966,866. Included in net current assets are restricted fixed deposits amounting to RM 22,198,495 which were pledged against the Group’s total borrowings of RM 38,033,193. Of the Group’s loans and borrowings, the amounts that are due for repayments within the next 12 months amounted to RM 7,936,211.

In the current financial year, the Group had obtained approval from its principal banker (“the Bank”) to defer repayments of certain loans and borrowings amounting to approximately RM 5,700,000 from August 2017 to November 2018. This amount was accordingly reclassified to non-current liabilities as at 31 December 2017. Any further deferment of repayments and the deferment period are subject to the Bank’s internal approval procedures.

The matters set out in the preceding paragraphs indicate the existence of a material uncertainty which may affect the validity of the going concern assumption on which the accompanying financial statements are prepared.

In the opinion of the Directors, the Group is able continue as a going concern as the Directors are of the view that the Group will continue to receive support from the Bank in terms of availability of credit facilities and be able to generate sufficient operating cash flows to meet their working capital needs.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2017. 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 and interpretation of standards applicable to the Group that have been issued but not yet effective:

Description	**Effective date (annual periods beginning on or after)**
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
IFRS 16 *Leases*	1 January 2019
Amendments to IFRS 9 *Prepayments Features with Negative Compensation*	1 January 2019

Except for IFRS 9 and IFRS 16, 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 9 and IFRS 16 are described below:

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. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model.

(a) *Impairment*

IFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group will need to perform a more detailed analysis of its trade receivables, which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact on the Group's equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (Continued)

(b) *Transition*

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 plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, earnings before interest, tax, depreciation and amortisation ("EBITDA") and gearing ratio.

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; and
– 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; and
– The Group's voting rights and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

Basis of consolidation (Continued)

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.

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Functional and foreign currency (Continued)

(b) *Transactions and balances* (Continued)

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 are 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 plants:	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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments – initial recognition and subsequent measurement (Continued)

(a) *Financial assets* (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments – initial recognition and subsequent measurement (Continued)

(b) *Impairment of financial assets* (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, mining, processing and labour incurred in the extraction process and an appropriate proportion of variable and fixed overhead costs directly related to mining activities 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Taxes (Continued)

(b) *Deferred tax* (Continued)

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.

(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 directly in equity.

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.

3.1 Judgements

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

(a) *Judgement made in relation to the Group's ability to continue as a going concern*

As disclosed in Note 2.1, the ability of the Group to continue as a going concern depends on its ability to generate sufficient cash flows from its operating activities and continue to receive support from the Bank in terms of availability of credit facilities. Management has assessed and made a judgement that the Group will be able to generate sufficient operating cash flows to meet their working capital needs for the next twelve months from the date of this report.

(b) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor, devaluation of security provided for the receivable by the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 13 to the financial statements.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.2 Estimates and assumptions (Continued)

Impairment of non-financial assets

When an indicator of impairment has been identified by management on the Group's property, plant and equipment, management determines the assets' recoverable amount based on the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The carrying value of the Group's non-financial assets at the end of the reporting period is disclosed in Note 10 to the financial statements.

4. REVENUE

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

5. OTHER INCOME

	Group	
	2017	**2016**
	RM	**RM**
Interest income from pledged and short-term deposits	**763,522**	800,462
Net gain on disposal of property, plant and equipment	**–**	233,170
Rental income	**445,896**	467,721
Net foreign exchange gain	**–**	163,031
	1,209,418	1,664,384

6. FINANCE COSTS

	Group	
	2017	**2016**
	RM	**RM**
Interest expense on:		
– Term loans	**1,858,770**	960,927
– Obligations under finance leases	**104,699**	53,302
– Bank overdraft	**370,020**	902,237
	2,333,489	1,916,466

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. LOSS BEFORE TAX

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

	Group	
	2017	**2016**
	RM	**RM**
Audit fees:		
– Auditors of the Group	**482,374**	399,171
Depreciation of property, plant and equipment	**5,402,943**	4,649,875
Directors' fees	**550,000**	571,276
Write-off of plant and equipment	**8,072**	3,372
Employee benefit expense (Note 21)	**4,017,870**	3,564,054
Operating lease expense	**203,218**	116,974
Inventories recognised as an expense in cost of sales (Note 12)	**5,808,321**	3,939,300

8. INCOME TAX (CREDIT)/EXPENSE

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the year ended 31 December 2017 and 2016 are:

	Group	
	2017	**2016**
	RM	**RM**
Consolidated statement of comprehensive income:		
Current income tax		
– Current taxation	**–**	192,110
– Over provision in respect of previous year	**(192,110)**	–
	(192,110)	192,110

Relationship between income tax (credit)/expense and loss before tax

A reconciliation between income tax (credit)/expense and the product of loss before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Group	
	2017	**2016**
	RM	**RM**
Loss before tax	**(7,033,447)**	(10,106,741)
Tax at the domestic rate applicable to profit in the countries where the Group operates	**(257,487)**	(2,193,530)
Adjustments:		
Non-deductible expenses	**601,237**	843,214
Utilisation of previously unrecognised tax benefits	**(1,251,365)**	–
Deferred tax assets not recognised	**907,615**	1,542,426
Over provision of tax for previous year	**(192,110)**	–
Income tax (credit)/expense recognised in profit or loss	**(192,110)**	192,110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

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

Unrecognised capital allowance and tax losses

At the end of the reporting period, the Group has unrecognised capital allowances and tax losses of approximately RM 2,441,000 and RM 24,576,000 (2016: RM 1,920,000 and RM 26,530,000) respectively 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.

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the 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.

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

No adjustment has been made to the basic loss per share amounts presented in respect of a dilution as there are no potential ordinary shares which would be converted into ordinary shares.

	Group	
	2017	**2016**
	RM	**RM**
Loss for the year attributable to owners of the Company	**6,841,337**	10,298,851
Weighted average number of ordinary shares for basic loss per share computation	**1,169,445,976**	1,163,178,483
Loss per share (cents per share)		
– Basic and diluted	**0.59**	0.89

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 machineries RM	Crusher plants RM	Office units RM	Capital-in-progress RM	Total RM
Cost:												
At 1 January 2016	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
Additions	36,588,053	67,756	18,673	60,706	1,245,104	–	–	3,137,711	5,008,250	–	–	46,126,253
Write-off	–	(5,048)	–	–	–	–	–	–	–	–	–	(5,048)
Disposal	–	–	–	–	(940,167)	–	–	(400,000)	–	–	–	(1,340,167)
Reclassification	–	–	–	–	–	–	–	–	11,089,250	–	(11,089,250)	–
At 31 December 2016 and 1 January 2017	71,751,704	250,781	84,084	604,126	2,440,731	18,940	4,880	4,692,787	22,204,628	3,344,400	–	105,397,061
Additions	2,899,870	8,392	–	–	624,245	–	–	410,000	–	–	–	3,942,507
Write-off	–	–	–	(20,608)	–	–	–	–	–	–	–	(20,608)
At 31 December 2017	74,651,574	259,173	84,084	583,518	3,064,976	18,940	4,880	5,102,787	22,204,628	3,344,400	–	109,318,960
Accumulated depreciation:												
At 1 January 2016	2,559,092	19,108	15,157	31,497	895,511	3,803	510	702,334	644,645	27,640	–	4,899,297
Charge for the year	2,175,236	23,001	7,908	58,107	482,272	1,894	488	529,596	1,334,520	36,853	–	4,649,875
Write-off	–	(1,676)	–	–	–	–	–	–	–	–	–	(1,676)
Disposal	–	–	–	–	(713,670)	–	–	(132,667)	–	–	–	(846,337)
At 31 December 2016 and 1 January 2017	4,734,328	40,433	23,065	89,604	664,113	5,697	998	1,099,263	1,979,165	64,493	–	8,701,159
Charge for the year	2,565,727	25,630	8,280	58,524	600,044	1,894	488	625,195	1,480,308	36,853	–	5,402,943
Write-off	–	–	–	(12,536)	–	–	–	–	–	–	–	(12,536)
At 31 December 2017	7,300,055	66,063	31,345	135,592	1,264,157	7,591	1,486	1,724,458	3,459,473	101,346	–	14,091,566
Net carrying amount:												
At 31 December 2016	67,017,376	210,348	61,019	514,522	1,776,618	13,243	3,882	3,593,524	20,225,463	3,279,907	–	96,695,902
At 31 December 2017	67,351,519	193,110	52,739	447,926	1,800,819	11,349	3,394	3,378,329	18,745,155	3,243,054	–	95,227,394

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets held under finance leases

During the financial year ended 31 December 2017, the Group acquired motor vehicles and plant and machineries with an aggregate cost of RM 624,245 (2016: RM 1,663,104) by means of finance leases.

The carrying amount of motor vehicles and plant and machineries held under finance leases as at 31 December 2017 was RM 2,146,658 (2016: RM 2,032,643).

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

Assets pledged as security

In addition to assets held under finance leases, certain property, plant and equipment with carrying amounts of RM 56,823,287 (2016: RM 57,296,929) were mortgaged to secure the Group's bank loans and bank overdraft facilities.

The Group has 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 3,243,054 (2016: RM 3,279,907).

The cash outflow on acquisition of property, plant and equipment amount to RM 3,293,607 (2016: RM 893,706) for the financial year ended 31 December 2017.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	**2016**
	RM	**RM**
Unquoted shares, at cost	**3,500,000**	5,000,004
Additional investment in subsidiaries	**–**	3,499,996
Impairment losses	**(1,086,000)**	(5,000,000)
Carrying amount of investments in subsidiaries	**2,414,000**	3,500,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 2017 %	2016 %
Held by the Company				
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]	Malaysia	Processing and sale of limestone	**100**	**100**

[1] Audited by Ernst & Young, Malaysia

12. INVENTORIES

	Group 2017 RM	2016 RM
Work-in-progress (at cost)	**–**	26,402
Finished goods (at cost)	**3,983,410**	1,000,318
	3,983,410	1,026,720
Inventories recognised as an expense in cost of sales	**5,808,321**	3,939,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Trade receivables	**3,013,801**	2,465,509	**–**	–
Other receivables	**950,419**	1,547,657	**53,929**	39,429
Amounts due from subsidiaries	**–**	–	**87,531,310**	103,031,693
Deposits	**6,783,494**	10,220,646	**6,006,565**	9,290,040
Less: Sales tax receivables	**(602,963)**	(395,081)	**–**	–
Total trade and other receivables	**10,144,751**	13,838,731	**93,591,804**	112,361,162
Add:				
– Cash and short-term deposits (Note 15)	**1,130,175**	19,782	**915,925**	2,526
– Pledged deposits (Note 14)	**22,198,495**	21,336,308	**–**	–
Total loans and receivables	**33,473,421**	35,194,821	**94,507,729**	112,363,688

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.

Deposits

Deposits are interest-free and refundable upon cancellation of contract. Included in deposits is an amount of RM 6,006,566 (2016: RM 9,290,040) from a consultant which is secured by a pledge of the consultant's shareholdings to the Company.

Management has assessed and determined that there is no impairment of the refundable deposit for the following reasons:

i) There was a partial repayment during the year of one third of the gross receivables outstanding as at the beginning of the year.

ii) Management determined that the value of the security received exceeds the carrying amount of the refundable deposit. Management estimated the value of the security by reference to the sales consideration of a proposed disposal of the Consultant's 7.1% equity holdings in its investee company ("Investee") as part of a collective sale of up to 80% equity stake in the Investee by its shareholders to a company which is listed on Bursa Malaysia (the "Transaction").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM 1,501,786 (2016: RM 1,022,984) 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	
	2017	**2016**
	RM	**RM**
Trade receivables past due:		
Lesser than 30 days	**647,123**	396,578
31 to 60 days	**438,007**	9,323
61 to 90 days	**329,046**	617,083
More than 90 days	**87,610**	–
	1,501,786	1,022,984

14. PLEDGED DEPOSITS

Pledged deposits are short-term deposits made for varying periods of between one month and twelve months, and earn interest at 2.70% to 4.10% (2016: 2.70% to 4.10%) per annum.

The short-term deposits and any interest income accruing thereon have been pledged to a bank for banking facilities granted to the Group as disclosed in Note 17.

15. CASH AND SHORT-TERM DEPOSITS

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

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Singapore Dollars	**920,871**	10,548	**915,261**	–
United States Dollars	**31,914**	3,961	**664**	2,526
	952,785	14,509	**915,925**	2,526

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

	Group	
	2017	**2016**
	RM	**RM**
Cash at banks and on hand	**1,130,175**	19,782
Bank overdraft	**(5,400,047)**	(4,644,827)
Cash and cash equivalents	**(4,269,872)**	(4,625,045)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Current				
Trade payables	**6,742,579**	1,694,342	**735,860**	–
Other payables	**1,503,238**	5,003,826	**240,000**	448,280
Amount due to subsidiary	**–**	–	**–**	1,745,071
	8,245,817	6,698,168	**975,860**	2,193,351
Non-current				
Trade payables	**3,407,621**	–	**–**	
Amount due to a director	**4,932,686**	5,626,569	**557,555**	–
Total trade and other payables	**16,586,124**	12,324,737	**1,533,415**	2,193,351
Add:				
– Accrued operating expenses	**1,927,600**	985,916	**1,274,196**	700,532
– Loans and borrowings (Note 17)	**38,033,193**	36,213,753	**–**	–
Total financial liabilities carried at amortised cost	**56,546,917**	49,524,406	**2,807,611**	2,893,883

Trade payables/other payables

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

Amount due to a director

The amount is non-trade related, unsecured, non-interest bearing with no fixed repayment terms and are to be settled in cash.

17. LOANS AND BORROWINGS

	Group	
	2017	2016
	RM	RM
Current:		
Obligations under finance leases[(1)] (Note 23)	**634,072**	487,405
Bank overdrafts[(2)]	**5,400,047**	4,644,827
Term loans:		
– RM loan at BLR + 1.00% per annum[(3)]	**230,004**	230,004
– RM loan at BLR + 1.00% per annum[(4)]	**147,088**	371,126
– RM loans at KLIBOR + bank's costs of funds + 2.50% per annum[(5)]	**1,021,000**	4,084,000
– RM loan at KLIBOR + bank's costs of funds + 2.50% per annum[(6)]	**504,000**	336,000
	7,936,211	10,153,362

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. LOANS AND BORROWINGS (CONTINUED)

	Group	
	2017	**2016**
	RM	**RM**
Non-current:		
Obligations under finance leases(1) (Note 23)	**1,207,240**	1,276,465
Term loans:		
– RM loan at BLR + 1.00% per annum(3)	**1,487,187**	1,686,656
– RM loan at BLR + 1.00% per annum(4)	**–**	146,373
– RM loans at KLIBOR + bank's costs of funds + 2.50% per annum(5)	**26,116,555**	21,286,897
– RM loan at KLIBOR + bank's costs of funds + 2.50% per annum(6)	**1,286,000**	1,664,000
	30,096,982	26,060,391
Total loans and borrowings	**38,033,193**	36,213,753

(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 3.93% to 5.36% (2016: 3.87% to 5.36%) per annum. These obligations are denominated in RM.

(2) Bank overdrafts

Bank overdrafts are denominated in RM, bear interest at BLR + 1.50% to BLR + 2.25% 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 joint and several guarantee 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 joint and several guarantee by the directors of the Group. The loan is fully repayable in 2020 and includes a financial covenant which requires the Group's subsidiary to maintain a gearing ratio not exceeding 2.0 times.

(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. The loan is repayable in 60 monthly instalments. This loan is fully repayable in 2018.

(5) RM loans at KLIBOR + bank's costs of funds + 2.50% per annum

The loans are secured by a first party all monies first legal charge on the leasehold quarry lands, certain plant and machineries and a crusher plant as disclosed in Note 10, charge on pledged deposits as disclosed in Note 14, corporate guarantee from the Company and guarantee from a director of the Group. The maturities of the loans are in 2021.

(6) RM loan at KLIBOR + bank's costs of funds + 2.50% per annum

The loan is secured by an all monies facilities agreement of RM 3 million, a first party all monies first legal charge on the leasehold quarry lands as disclosed in Note 10, an all monies debenture and power of attorney over a subsidiary's present and future assets and properties (both movable and immovable), corporate guarantee from the Company and guarantee from a director of the Group. The maturity of the loan is in 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares				
At 1 January and 31 December	**1,193,432,933**	**164,587,851**	1,193,432,933	164,587,851

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.

19. TREASURY SHARES

	Group and Company			
	2017		2016	
	Number of shares	RM	Number of shares	RM
At 1 January	**23,986,957**	**9,086,355**	33,400,000	13,011,215
Acquired during the financial year	**–**	**–**	5,200,000	1,767,758
Treasury shares reissued	**–**	**–**	(14,613,043)	(5,692,618)
At 31 December	**23,986,957**	**9,086,355**	23,986,957	9,086,355

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

In the previous financial year, the Company acquired 5,200,000 shares in the Company through purchases on The Singapore Exchange. The total amount paid to acquire the shares was RM 1,767,758 and this was presented as a component within the shareholders' equity.

20. OTHER RESERVES

This represents the gain arising from the reissuance of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. EMPLOYEE BENEFITS

	Group	
	2017	2016
	RM	RM
Employee benefits expense (including directors):		
Salaries and bonuses	**3,649,763**	3,288,565
Employees Provident Fund	**338,241**	259,556
Social Security Organisation ("SOCSO")	**29,866**	15,933
	4,017,870	3,564,054

22. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	Group	
	2017	2016
	RM	RM
Salaries and bonuses	**1,789,831**	1,883,926
Employees Provident Fund	**137,280**	126,000
Social Security Organisation ("SOCSO")	**3,314**	3,314
Directors' fees	**550,000**	571,276
	2,480,425	2,584,516
Comprise amounts paid to:		
Directors of the Group	**1,827,178**	1,941,379
Other key management personnel	**653,247**	643,137
	2,480,425	2,584,516

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	
	2017	2016
	RM	RM
Capital commitments in respect of property, plant and equipment	**3,316,000**	3,316,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23. COMMITMENTS (CONTINUED)

(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 (2016: 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	
	2017	**2016**
	RM	**RM**
Not later than one year	**23,000**	64,000

(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:

	2017		**2016**	
	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	710,940	634,072	569,751	487,405
Later than one year but not later than five years	1,286,916	1,207,240	1,371,813	1,276,465
Total minimum lease payments	1,997,856	1,841,312	1,941,564	1,763,870
Less: Amounts representing finance charges	(156,544)	–	(177,694)	–
Present value of minimum lease payments	1,841,312	1,841,312	1,763,870	1,763,870

(d) Contingent liabilities

The Company has provided corporate guarantees to a bank for banking facilities to two subsidiaries of which the outstanding amounts of facilities drawn down as at 31 December 2017 was RM 31,939,360 (2016: RM 30,257,092) (Note 17).

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) 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:

	2017		2016	
	Carrying amount RM	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Group				
Financial liabilities				
– Amount due to a director	**4,932,686**	**	5,626,569	**
– Obligations under finance leases (non-current)	**1,207,240**	**1,286,916**	1,276,465	1,371,813

** Amount due to a director carried at cost

Fair value information has not been disclosed for the Group's amount due to a director that is carried at cost because the fair value could not be measured reliably. There is no contractual repayment term for this amount and the Group does not intend to repay the amount in the next 12 months.

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

Trade and other receivables (Note 13), pledged deposits (Note 14), cash and short-term deposits (Note 15), trade and other payables (Note 16), current and non-current loans and borrowings (Note 17)

Except as disclosed above, management had determined that the carrying amounts of these financial assets and financial liabilities reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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, liquidity risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group'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 at the end of the reporting period is as follows:

	2017		2016	
	RM	% of total	RM	% of total
By country:				
Malaysia	**1,331,788**	**44**	731,182	30
Indonesia	**1,682,013**	**56**	1,734,327	70
	3,013,801	**100**	2,465,509	100

At the end of the reporting period, approximately 87% (2016: 96%) of the Group's trade receivables were due from 3 (2016: 2) major customers.

The Group also has significant concentration of credit risk relating to a refundable deposit from a consultant (Note 13).

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.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 manages its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation to meet its liabilities when due. The Group maintains flexibility in funding by keeping committed credit facilities available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial assets and financial 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			
2017			
Financial assets:			
Trade and other receivables	**10,144,751**	**–**	**10,144,751**
Cash and short-term deposits	**1,130,175**	**–**	**1,130,175**
Pledged deposits	**22,198,495**	**–**	**22,198,495**
Total undiscounted financial assets	**33,473,421**	**–**	**33,473,421**
Financial liabilities:			
Trade and other payables	**8,245,817**	**3,407,621**	**11,653,438**
Amount due to a director	**–**	**4,932,686**	**4,932,686**
Accrued operating expenses	**1,927,600**	**–**	**1,927,600**
Loans and borrowings	**9,870,407**	**33,672,561**	**43,542,968**
Total undiscounted financial liabilities	**20,043,824**	**42,012,868**	**62,056,692**
Total net undiscounted financial assets/(liabilities)	**13,429,597**	**(42,012,868)**	**(28,583,271)**
2016			
Financial assets:			
Trade and other receivables	13,838,731	–	13,838,731
Cash and short-term deposits	19,782	–	19,782
Pledged deposits	21,336,308	–	21,336,308
Total undiscounted financial assets	35,194,821	–	35,194,821
Financial liabilities:			
Trade and other payables	6,698,168	–	6,698,168
Amount due to a director	–	5,626,569	5,626,569
Accrued operating expenses	985,916	–	985,916
Loans and borrowings	11,726,771	28,705,569	40,432,340
Total undiscounted financial liabilities	19,410,855	34,332,138	53,742,993
Total net undiscounted financial assets/(liabilities)	15,783,966	(34,332,138)	(18,548,172)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

	One year or less RM	One to five years RM	Total RM
Company			
2017			
Financial assets:			
Trade and other receivables	**93,591,804**	**–**	**93,591,804**
Cash and short-term deposits	**915,925**	**–**	**915,925**
Total undiscounted financial assets	**94,507,729**	**–**	**94,507,729**
Financial liabilities:			
Trade and other payables	**975,860**	**–**	**975,860**
Accrued operating expenses	**1,274,196**	**–**	**1,274,196**
Amount due to a director	**–**	**557,555**	**557,555**
Total undiscounted financial liabilities	**2,250,056**	**557,555**	**2,807,611**
Total net undiscounted financial assets/(liabilities)	**92,257,673**	**(557,555)**	**91,700,118**
2016			
Financial assets:			
Trade and other receivables	112,361,162	–	112,361,162
Cash and short-term deposits	2,526	–	2,526
Total undiscounted financial assets	112,363,688	–	112,363,688
Financial liabilities:			
Trade and other payables	2,193,351	–	2,193,351
Accrued operating expenses	700,532	–	700,532
Total undiscounted financial liabilities	2,893,883	–	2,893,883
Total net undiscounted financial assets	109,469,805	–	109,469,805

The table below shows the contractual expiry by maturity of the Company's financial guarantees. The maximum amount of the financial guarantees are allocated to the earliest period in which the guarantee could be called.

	2017 RM	2016 RM
	1 year or less	
Company		
Financial guarantees (Note 17)	**31,939,360**	30,257,092

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings and short-term deposits. The Group's policy is to obtain the most favourable interest rates available. Information relating to the Group's interest rate exposures for short-term deposits and loans and borrowings are disclosed in Note 15 and Note 17 respectively.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 50 (2016: 50) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been RM 70,000 (2016: RM 66,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, and higher/lower interest income from floating rate short-term deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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 2017 and 2016.

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.

Geographical information

Revenue information based on the geographical location of customers is as follows:

	Group	
	2017	**2016**
	RM	**RM**
Malaysia	**2,053,069**	1,892,043
Indonesia	**19,692,257**	10,304,687
	21,745,326	12,196,730

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

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 four major customers (2016: two) amounted to approximately RM 20,939,000 (2016: RM 11,356,000) arising from sale of limestone.

28. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the years ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 11 April 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 3 APRIL 2018

Class of shares	:	Ordinary
Number of Ordinary Shares in issue (excluding Treasury Shares and Subsidiary Holdings)	:	1,169,445,976
Voting rights (excluding Treasury Shares and Subsidiary Holdings)	:	One vote per ordinary share
Number of Treasury Shares	:	23,986,957
Number of Subsidiary Holdings:	:	Nil

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	10	2.03	537	0.00
100 – 1,000	7	1.42	4,747	0.00
1,001 – 10,000	36	7.30	286,416	0.02
10,001 – 1,000,000	392	79.51	73,757,892	6.31
1,000,001 AND ABOVE	48	9.74	1,095,396,384	93.67
TOTAL	**493**	**100.00**	**1,169,445,976**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	464,360,323	39.71
2	LOO AN SWEE	115,297,720	9.86
3	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	92,416,094	7.90
4	UOB KAY HIAN PRIVATE LIMITED	88,775,353	7.59
5	CHUNG MAN CHONG	83,527,820	7.14
6	WILMA GLOBAL INVESTMENTS LIMITED	44,679,770	3.82
7	OCBC SECURITIES PRIVATE LIMITED	32,295,891	2.76
8	DBS NOMINEES (PRIVATE) LIMITED	28,643,454	2.45
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	18,306,362	1.57
10	RHB SECURITIES SINGAPORE PTE. LTD.	17,990,700	1.54
11	POON YEW HOE	14,195,053	1.21
12	PHILLIP SECURITIES PTE LTD	10,925,700	0.93
13	FONG KIM CHIT	5,858,683	0.50
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,584,000	0.48
15	CHUA SIEW LAN	4,850,000	0.41
16	CHEN FOOK WAH	4,818,700	0.41
17	PROVIDENCE HGF3 LIMITED	4,514,355	0.39
18	YEE CHIA HSING	4,500,000	0.38
19	CHONG SAU KWANG	4,449,600	0.38
20	TAY KOON CHUAN	4,357,000	0.37
	TOTAL	**1,050,346,578**	**89.80**

STATISTICS OF SHAREHOLDINGS

AS AT 3 APRIL 2018

PUBLIC FLOAT

Based on the information available to the Company as at 3 April 2018, approximately 37.03% of the issued ordinary shares (excluding treasury shares and subsidiary holdings) 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 3 April 2018

		Direct Interest		Deemed Interest	
No.	**Name of Substantial Shareholder**	**No. of Shares[1]**	**%**	**No. of Shares[1]**	**%**
1	Loo An Swee ("**Alex Loo**")[2]	411,440,880	35.18	178,719,080	15.28
2	Wilma Global Investments Limited ("**Wilma Global**")[2]	178,719,080	15.28	–	–
3	Pang Kim Chon[2]	–	–	178,719,080	15.28
4	Chung Man Chong	83,527,820	7.14	–	–

Notes:

1. Based on the total issued share capital of 1,169,445,976 ordinary shares of the Company as at 3 April 2018.
2. 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of GCCP Resources Limited (the "Company") will be held at Temasek Club, 131 Rifle Range Road, Level 3, Seletar 1 Room, Singapore 588406 on Friday, 27 April 2018 at 2:00 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 2017 together with the Independent 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(1))	**(Resolution 2)**
Mr Yang Zheng	(Retiring under Article 85(6))	**(Resolution 3)**

   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 2017. [See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$160,000 *(equivalent to MYR496,000)* for the year ending 31 December 2018, payable quarterly in arrears (2017: S$200,000). **(Resolution 4)**

4. 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 5)**

5. 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:

6. **Authority to issue shares**

   That pursuant to Rule 806 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"), 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

   (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,

NOTICE OF ANNUAL GENERAL MEETING

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 and subsidiary holdings) 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 and subsidiary holdings) 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 and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 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 (ii)] **(Resolution 6)**

7. **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 or share plans implemented by the Company, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 (iii)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

8. **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 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 and subsidiary holdings) of the Company on the day preceding the relevant date of the award, as determined in accordance with the provisions of the GCCP Performance Share Plan.
[See Explanatory Note (vi)] **(Resolution 8)**

9. **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) on-market purchases ("Market Purchase"), transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("Off-Market Purchase") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act (Chapter 50) of Singapore and which will satisfy all the conditions prescribed by the Articles and the Catalist Rules.

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 the buy-back of the Shares 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").

NOTICE OF ANNUAL GENERAL MEETING

(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, as the case may be, preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders 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 and subsidiary holdings that may be held by the Company from time to time); and

(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 (v)] **(Resolution 9)**

By Order of the Board

Kenneth Leong
Company Secretary
Singapore,
12 April 2018

NOTICE OF ANNUAL GENERAL MEETING

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. There are no relationships including immediate family relationships between Mr Pang Kim Chon and the other Directors or its 10% shareholders. Detailed information on Mr Pang Kim Chon can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

Pursuant to Article 85(6), Mr Yang Zheng who was appointed during the financial year ended 31 December 2017, shall retire at the AGM and who has, being eligible, offered himself for re-election as a Director of the Company. Mr Yang Zheng, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee, a member of the Audit and Nominating Committees, and the Board of Directors (save for Mr Yang Zheng) considers him independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr Yang Zheng and the other Directors or its 10% shareholders. Detailed information on Mr Yang Zheng can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

(ii) The Ordinary Resolution 6 in item 6 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 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 and subsidiary holdings) 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 and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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.

(iii) The Ordinary Resolution 7 in item 7 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 and subsidiary holdings) of the Company pursuant to the ESOS (which was approved in 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 6.

(iv) The Ordinary Resolution 8 in item 8 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.

(v) The Ordinary Resolution 9 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, 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 2017 are set out in greater detail in the appendix 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.

NOTICE OF ANNUAL GENERAL MEETING

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

INDEPENDENT QUALIFIED PERSON'S REPORT

LIMESTONE PROJECTS IN IPOH, PERAK, MALAYSIA

MEC1802001

REFERENCE DATE: 31 December 2017

REPORT DATE: 6 April 2018

Prepared for

GCCP Resources Limited

Prepared by

Greater China Mineral & Energy Consultants Limited

INDEPENDENT QUALIFIED PERSON'S REPORT

TABLE OF CONTENT	PAGE

INDEPENDENT QUALIFIED PERSON'S REPORT

LIST OF TABLES

INDEPENDENT QUALIFIED PERSON'S REPORT

LIST OF FIGURES

INDEPENDENT QUALIFIED PERSON'S REPORT

LIST OF APPENDICES

INDEPENDENT QUALIFIED PERSON'S REPORT

EXECUTIVE SUMMARY

1. Introduction

Greater China Mineral and Energy Consultants Limited ("GCME") is engaged by GCCP Resources Limited ("GCCP") to perform an update on the Independent Qualified Person's Report ("2018 IQPR") of the Litmus Limestone Project (the "Project") located in Ipoh, Perak, Malaysia in accordance with the 2012 Edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code 2012").

The Project consists of three limestone mines. The Gridland quarry ("GLD Mine", with an area of 0.1012km^2) is owned by GCCP Gridland Sdn Bhd ("GLD"), the Hyper Act Marketing quarry ("HAM Mine 1", with an area of 0.3377km^2) and Hyper Marketing quarry 2 ("HAM Mine 2", with an area of 0.0809km^2) are owned by Hyper Act Marketing Sdn Bhd ("HAM"). Both GLD and HAM are wholly owned subsidiaries of GCCP.

GCME issued an IQPR in October 2014 ("2014 IQPR") which was part of GCCP Resources Limited ("GCCP")'s prospectus for its listing on the Singapore Exchange ("SGX") on 30 April 2015. In April 2016, GCME issued an updated IQPR to report the resources and reserves of the GLD Mine and HAM Mine 1 ("April 2016 IQPR"). In August 2016, GCME further issued an IQPR focused on the HAM Mine 2 ("August 2016 IQPR"), reporting its latest limestone resources as a supplementary IQPR to the April 2016 IQPR. In April 2017 ("2017 IQPR"), GCME issued an updated IQPR to report the resources and reserves of the GLD mine, HAM Mine 1 and HAM Mine 2.

For this engagement, GCME has prepared an updated IQPR for all the limestone mines as of 31 December 2017 in accordance with the JORC Code 2012 for GCCP and its advisors, and GCME is aware that the IQPR may be released to the general public for general disclosure purposes only.

2. Overview of GLD Mine, HAM Mine 1 and HAM Mine 2

The Project consists of three limestone assets including the GLD Mine, the HAM Mine 1 and the HAM Mine 2. Development and use of the HAM Mine 2 is in conjunction with the other two mines. As informed by GCCP, there is no significant change in operation procedures. GLD Mine had continuous production, customer base and sales destinations; while at HAM Mine 1, GCCP had started production and continued the expansion of production scale; while at HAM Mine 2, GCCP is making continuous efforts in development which have yet to commence production. As informed by GCCP, GLD Mine was producing precipitate calcium carbonate (PCC) grade limestone and HAM Mine 1 was and ground calcium carbonate (GCC) grade limestone aggregates respectively and there is no special issue concerning production to be reported.

Due to the proximity of location between HAM Mine 1 and 2, GCCP decided to develop HAM Mine 1 and 2 together. HAM Mine 1's development has been well advanced and production had commenced in the first quarter of 2017. According to GCCP, a complete 500 TPH (Primary) / 1000 TPH (0/100MM) crushing and screening and washing plant had been set up and commissioned for the production of GCC grade limestone

INDEPENDENT QUALIFIED PERSON'S REPORT

chips and lumps. The construction of GCC powder plant is delayed since GCCP decided to focus on quarry development in HAM Mine 1 and 2. GCCP will review and conduct additional studies to assess the implementation of the GCC powder plant and slurry plant.

The summary of assets and liabilities of GCCP is presented in Table I.

Table I Summary of assets and liabilities of GCCP

Asset name	Issuer's Interest (%)	Development Status	Licence expiry date	Licence Area (hectare)	Type of mineral, oil or gas deposit	Remarks
GLD Mine; P.N. 380610	100	In production	28 June 2043	9.489	Limestone	
GLD Mine; P.N. 258390	100	In production	17 September 2056	0.629	Limestone	
HAM Mine 1; H.S.(D) 217328	100	In production	3 December 2043	3.5612	Limestone	
HAM Mine 1; H.S.(D) 214644	100	In production	14 June 2043	3.9252	Limestone	
HAM Mine 1; H.S.(D) 199908	100	In production	6 June 2041	8.0398	Limestone	
HAM Mine 1; P.N. 382703	100	In production	31 July 2043	3.3252	Limestone	
HAM Mine 1; P.N. 224329	100	In production	8 July 2045	10.2345	Limestone	
HAM Mine 1; P.N. 224330	100	In production	8 July 2045	0.5868	Limestone	
HAM Mine 2; H.S.(D) 178990	100	In development	20 October 2038	4.0469	Limestone	
HAM Mine 2; H.S.(D) 222863	100	In development	13 May 2045	4.0469	Limestone	

A total of 440,114.83 tonnes of PCC grade limestone chips and lumps were produced from the GLD Mine between January 2017 and December 2017 and 229,113 tonnes were sold. The total revenue generated from the production was MYR 11,809,888.64. From the HAM Mine 1, a total of 117,998.09 tonnes of GCC grade limestone chips and lumps were produced in 2017 and 103,899.21 tonnes were sold. The total revenue generated from the production was MYR 9,451,530. There was no production from the HAM Mine 2 in 2017.

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INDEPENDENT QUALIFIED PERSON'S REPORT

3. Geological Background and Mineralization

The Project is located in the Kinta Valley, tectonically in the Western Belt of the Malaysia Peninsular. All the mines are located with the north-south trending Kinta Valley in the Central Perak. The valley is flanked by the Kledang Range at the west and the Main Range at the east which are mainly composed of Triassic to early Jurassic mega-crystic granite.

The geology of the GLD and HAM Mines are similar due to their proximity, dominated by limestone units. Structural feature in the GLD Mine is characterized by 2 main sets of faults which strike NW and NE respectively. Beddings of the limestone were mostly obliterated during metamorphism. Limestone was metamorphosed to marble due to the intrusion of the granite batholith. Beddings of limestone were observed in some locations but also are generally obliterated due to metamorphism. There might be a fold structure in the area. There are two main sets of faults in the area and they are striking northwest and northeast respectively.

In both GLD Mine and HAM Mines, limestone has been metamorphosed into marble due to adjacent Mesozoic intrusions. It predominantly composed of fine to coarse grained recrystallized calcite and dolomite. Previous chemical analysis performed on the marble samples demonstrated that the marble belongs to the Pure Limestone and the Highly Pure Limestone category.

Quarry survey of HAM Mines (combined HAM Mine 1 and 2) was performed once on 28 December 2017, indicating that between 09-Dec-2016 and 28-Dec-2017, total volume extracted within SKP Lot 332387, PT 23164 and PT21550 was 170,201.55m^3. The discrepancy between the total volume extracted and the production volume was mainly due to the high percentage of overburden soil and limestone that did not meet the market requirement and thus they were classified as waste materials. These waste materials were used for land fill sites, construction of access roads, sold and potion fallen into the valley after blasting.

There was no quarry survey performed in the GLD Mine in 2017 because it is a producing mine, the resources estimate can be done by reconciling with the production data in 2017.

4. Mineral Resources Estimate

The Mineral Resources estimate for each mine was carried out by Mr. Sergio Matteoli, a Principal Consultant of GCME, a European Geologist and Member of the European Federation of Geologists and Qualified Professional Member of the Mining and Metallurgical Society of America. They are reported in accordance with the JORC Code 2012.

The Mineral Resources of the GLD Mine, HAM Mines as at 31 December 2017 are presented in the following tables respectively, tonnage is reported in million ton (“Mt”):

INDEPENDENT QUALIFIED PERSON'S REPORT

Table II Summary of limestone resources of the GLD Mine as at 31 December 2017

	Total volume (Mm^3)	Bulk dry density (t/m^3)	Total tonnage (Mt)	$CaCO_3$ Grade (%)	$CaCO_3$ tonnage (Mt)
Measured Resource	0.5	2.7	2	98	2
Indicated Resource	7.5	2.7	21	98	20
Total (Mea. + Ind.)	8.5	2.7	22	98	22
Inferred Resource	6	2.7	17	98	17
Grand Total	**15**	**2.7**	**40**	**98**	**39**

Note: Totals may appear to be inconsistent due to appropriate rounding. The resources reported are rounded to 2 significant figures (except for Inferred Mineral Resource which are rounded to 1 significant figure). The resources estimation includes a 2% reduction factor for cavities and non-carbonate materials observed in drill core.
^ This limestone resources statement of GLD Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2017. Mr. Sergio Matteoli is an EurGeol and member of the European Federation of Geologists and a Qualified Professional Member 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.

Table III Summary of limestone resources of HAM Mines as at 31 December 2017

	Total limestone volume (Mm^3)	Bulk dry density (t/m^3)	Total limestone tonnage (Mt)	$CaCO_3$ Grade (%)	$CaCO_3$ Tonnage (Mt)
Measured Resource	20	2.7	55	93	51
Indicated Resource	55	2.7	150	93	140
Total (Mea. + Ind.)	75	2.7	200	93	190
Inferred Resource	3	2.7	8	93	8
Total	**78**	**2.7**	**210**	**93**	**200**

Note: Total may appear to be inconsistent due to appropriate rounding. The resources reported are rounded to 2 significant figures (except for Inferred Resource which are rounded to 1 significant place). The resources estimate includes a 2% reduction factor for cavities and non-carbonate materials observed in drill core.
^This limestone resources statement of HAM Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2017. Mr. Sergio Matteoli is a member of the European Federation of Geologists and a Qualified Professional of the Mining and Metallurgical

INDEPENDENT QUALIFIED PERSON'S REPORT

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.

5. Ore Reserves Estimate

The Ore Reserves statements in this IQPR are reviewed by Mr. Sergio Matteoli and are accurate as at 31 December, 2017. Mr. Sergio Matteoli qualifies 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). The Ore Reserves of GLD Mine and HAM Mine 1 as at 31 December 2017 are presented in Table IV and Table V respectively.

Table IV Summary of limestone reserves of GLD Mine as at 31 December 2017

Category	Mineral Type	Tonnes (Mt)	Grade $CaCO_3$ %
Probable	Limestone	4.0	98.2
Total	Limestone	4.0	98.2

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, 2017. 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).

Table V Summary of limestone reserves of HAM Mines as at 31 December 2017

Category	Mineral Type	Tonnes (Mt)	Grade $CaCO_3$ %
Proved	Limestone	2.2	96.1
Probable	Limestone	19.6	96.1
Total	Limestone	21.9	96.1

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, 2017. 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).

6. OPEX and CAPEX Review

As informed by GCCP, the actual mining cost of the GLD mine had reduced by 24% from 13.22 MYR/t in year 2016, to 10.04 MYR/t in 2017 (Table VI). Since 1st September 2017, GCCP had terminated the existing contractor and taken over the management of blasting, excavation, loading and transportation of uncrushed stones to the crushing plant. The lowered extraction costs resulted from the change explains the reduction in

INDEPENDENT QUALIFIED PERSON'S REPORT

mining cost.

Table VI GLD Mine OPEX parameters

Item	Unit	Parameter value (actual)
Production rate	t/a	440,114.83 (Production) 229,113 (Sales)
Commodity price	MYR/t	33.44 (Limestone chips and lumps)
Mining cost	MYR/t	10.04
Processing cost	MYR/t	Included in mining cost
Administration	MYR/t	Included in mining cost
Royalty	MYR/t	2.90

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

Source: GCCP

HAM Mine 1 had started production in March 2017, and the OPEX is shown in Table VII. HAM Mine 1 and 2 will be developed and exploited in conjunction according to GCCP. Given the close proximity of the two mines and their geographical connection, it is of GCME's opinion that a quarry plan based on such development concept is not only feasible but also will bring synergy to both HAM Mine 1 and 2. It is therefore reasonable for both HAM Mine 1 and 2 to have the same OPEX.

Table VII HAM Mine 1 and 2 OPEX parameters

Item	Unit	Parameter value (actual)
Production rate	t/a	117,998.09 (Production) 103,889.21 (Sales)
Commodity price	MYR/t	58.67 (Limestone chips and lumps)
Mining cost	MYR/t	41.99
Processing cost	MYR/t	Included in mining cost
Administration	MYR/t	Included in mining cost
Royalty	MYR/t	2.90

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

Source: GCCP

INDEPENDENT QUALIFIED PERSON'S REPORT

7. NPV analysis

Under prevailing market conditions, GLD Mine has a positive net present value ("NPV") of USD 21.15 M; HAM Mine 1 and 2 are expected to generate a positive net present value of USD 94.99 M, this shows proven economic viability of the Project.

It should be noted that this NPV analysis should not be considered as a mineral valuation. It should also be noted that the adjustments made are all going to change the value of the Project. The Project might have different NPV under different market conditions.

8. Summary

In 2017, GLD produced a total of 440,114.83 tonnes of PCC grade limestone chips and lumps and 229,113 tonnes were sold. The total revenue generated form the production was MYR 11,809,888.64 and there is no special issue concerning production to be reported. From the HAM Mine 1, a total of 117,998.09 tonnes of GCC grade limestone chips and lumps were produced in 2017 and 103,899.21 tonnes were sold. The total revenue generated from the production was MYR 9,451,530. There was no production since December 2017 because GCCP had focused on quarry development and the HAM Mine 1 has built up sufficient stocks to cater for future deliveries and active production is expected to resume in the 2nd half of 2018. According to GCCP, since HAM Mine 2 was still in development phase, there was no production from them in 2017.

GLD Mine has a total 22 Mt Measured and Indicated Resource, among which the Measured Resource is 2 Mt and the Indicated Resource is 21 Mt. HAM Mines have a total 200 Mt Measured and Indicated Resource, among which the Measured Resource is 55 Mt and the Indicated Resource is 150 Mt.

GLD Mine has a total 4.0 Mt Ore Reserves and all belongs to Probable Reserve. HAM Mines has a total 21.9 Mt of Ore Reserves, in which 2.2 Mt belongs to Proved Reserve and 19.6 Mt belongs to Probable Reserves.

It is GCME's opinion that the management team has exercised professional practice in managing the production and development of the quarry assets.

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INDEPENDENT QUALIFIED PERSON'S REPORT

I. INTRODUCTION

1.1 Scope of the IQPR

Greater China Mineral and Energy Consultants Limited ("GCME") is engaged by GCCP Resources Limited ("GCCP") to prepare an update on the Independent Qualified Person Report ("2018 IQPR") of the Litmus Limestone Project (the "Project") located in Ipoh, Perak, Malaysia in accordance with the Edition The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The "JORC Code 2012").

The Project consists of three limestone quarries and their associated calcium carbonate industrial mineral assets. The Gridland quarry ("GLD Mine", with an area of 0.1012km^2) is owned by GCCP Gridland Sdn Bhd ("GLD"), the Hyper Act Marketing quarry ("HAM Mine 1", with an area of 0.3377km^2) and Hyper Marketing quarry 2 ("HAM Mine 2", formerly known as Sri Sarana quarry, with an area of 0.0809km^2) are owned by Hyper Act Marketing Sdn Bhd ("HAM"). Both GLD and HAM are wholly owned subsidiaries of GCCP.

The IQPR is to be presented to GCCP's shareholders as part of the continuous disclosure obligations of GCCP. GCME had issued an Independent Qualified Person's Report prepared in October 2014 ("2014 IQPR") which was part of GCCP's prospectus for its listing on the Singapore Stock Exchange ("SGX") on 30 April 2015. In April 2016, GCME issued an updated IQPR ("April 2016 IQPR") on its operations and reported the updated Mineral Resources and Ore Reserves of the GLD Mine and HAM Mine 1. In August 2016, GCME had prepared a supplemental IQPR for HAM Mine 2 ("August 2016 IQPR") for GCCP and its advisors. In April 2017 ("2017 IQPR), GCME issued an updated IQPR to report the resources and reserves of the GLD mine, HAM Mine 1 and HAM Mine 2 for the financial year ended 31 December 2016.

For this engagement, GCME is commissioned to perform an update on the existing IQPRs of the Project for the year 2018 by an Independent Qualified Person (the "QP") as part of GCCP's continuous disclosure obligations. GCME is aware that the IQPR may be released to the general public for general disclosure purpose. This IQPR is to report the latest operation conditions of the Project and the latest Mineral Resources and Ore Reserves of all the quarries as of 31 December 2017 (the "Reference Date") in accordance with the 2012 Edition of the JORC Code. No site visit has been made in this engagement because GCME considered that as there was no new exploration activity; only production for the GLD Mine and HAM Mine 1 and continuous development for both HAM Mine 1 and 2 have been carried out since the 2017 IQPR, considering no significant change in operational method, it is therefore that GCME considered site visit is not necessary.

Our services consist of the following tasks:

- Desktop review of relevant project information;
- Review and comment on the new information of the Project since the last report date, including but not limited to the new geological reports and exploration data (if any), past operating activities, all relevant licenses and permits, operation flowchart, capital and operation expenditure and production records;
- Provide an update on the JORC Mineral Resources and Ore Reserves of the Project;

INDEPENDENT QUALIFIED PERSON'S REPORT

- Hold discussions with the management of GCCP and provide suggestions in achieving JORC compliance;
- Compile the draft IQPR;
- Response to comments from GCCP on the draft IQPR; and
- Issue the final IQPR upon instructions of the management of GCCP.

1.2 Primary source of data for this IQPR

Information used in preparing this IQPR included but not limited to the following:

– 2018 SKP of GLD, HAM Mine 1 and 2 provided by GCCP;
– 2018 license for mineral handling provided by GCCP;
– Production and sales record and total excavated volume provided by GCCP;
– New volume report of HAM Mine 1 and 2 prepared by S Tri Survey Sdn. Bhd. ("S Tri" or the "Surveyor");
– Updated quarry plan and maps of the GLD Mine, HAM Mine 1 and HAM Mine 2 prepared by S Tri Survey and KenEp Consultancy & Services ("KenEp"); and
– Email communication with GCCP's management.

GCME does not accept any responsibility for the completeness or adequacy of the information provided by the GCCP and its suppliers and advisors (e.g. SGS Malaysia, S Tri, KenEp) and for information extracted from public sources. However, GCME has made reasonable enquiries and exercised their judgement on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information provided.

1.3 Qualified Person Expertise

This IQPR update is led by Mr. Sergio Matteoli. Mr. Matteoli has a master degree in dimension stone geology. He 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, a member of the Italian Mining Engineers Association and a member of the European Federation of Geologists. Mr. Matteoli is a principal consultant of Greater China Mineral & Energy Consultants Limited. 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).

1.4 Independence of Qualified Person for 2018 IQPR

GCME is an independent third party and Mr. Sergio Matteoli is an independent Qualified Person and fulfils the Independence Requirements as set out in Rule 442 of the SGX 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

INDEPENDENT QUALIFIED PERSON'S REPORT

benefits other than remuneration paid in connection with this IQPR engagement;

- Remuneration paid to GCME in connection with the report is not dependent on the findings of this IQPR;
- Mr. Sergio Matteoli is not a sole practitioner; and
- On behalf of GCME, the production of this IQPR is directly supervised by Mr. Gary Man, Managing Director of GCME.

1.5 Statement of Independence and Fees

Neither GCME nor any of the project team members of this IQPR have any material present or contingent interest in the outcome of this IQPR, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of GCME.

GCME has no beneficial interest in the outcome of the technical assessment that would be capable of affecting its independence. GCME's fee for completing this IQPR is based on a fixed price contract. The payment of that professional fee is not contingent upon the outcome of this IQPR.

1.6 Warranties

GCCP has represented in writing to GCME that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

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INDEPENDENT QUALIFIED PERSON'S REPORT

II. OPERATION OVERVIEW OF THE PROJECT

2.1 General Description of the Project

The Project is located close to the city of Ipoh, Perak State, which is about 180km north of Kuala Lumpur (Figure II-1). Ipoh is the capital city of Perak State on the Peninsular Malaysia. The 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. HAM Mine 1 and 2 are essentially located at the same mountain and so they are accessible through the same road. The HAM Mine 1 is connected directly to public roads (North South Expressway and its connecting roads) via a designated Simpanan Jalan (custody road) while the HAM Mine 2 is accessed via a short dirt side road of the paved 2-lane.

Ipoh has an equatorial climate as being hot and humid all year round. The temperatures are uniform throughout the year, averaging about 33°C during the day and 23°C during the night. Humidity averages 59% around the year with highest rainfall appearing in Monsoon periods.

Figure II- 1 Project location map

Source: Chisholm et al., 2014

INDEPENDENT QUALIFIED PERSON'S REPORT

Infrastructure in Perak is among the best developed compared to that in other Malaysian States due to the development of tin industry and commercial estates of rubber and palm oil. The good road network also benefits the development of the quarry mining and downstream rock based industry. After processing through the processing plants in Perak, the downstream products of the rock based industry will be mainly delivered by railroad system in Perak to Malaysian domestic markets. The quarry products could be potentially served for overseas markets through the extension of double tracking railway line from Rawang into Perak, development of Lumut Maritime Terminal and the establishment of inland port in the Ipoh area.

The electricity supply can be generated on site by diesel powered plants or be sourced from the national grid. There is stable water supply in Perak to provide uninterrupted pipe water supply for limestone operations.

2.2 Operation overview of the Project

The Project consists of three limestone assets including the GLD Mine (Figure II-3), the HAM Mine 1 and the HAM Mine 2 (Figure II-5). Development and use of the HAM Mine 2 is in conjunction with HAM Mine 1 due to its proximity and the new quarry plan has demonstrated various benefits of the strategy.

Detailed description of mining and processing operation of GLD Mine and HAM Mine 1 can be found in the April 2016 IQPR. As informed by GCCP, there is no significant change in operation procedures since the April 2016 IQPR. GLD Mine has continuous production, customer base and sales destinations; while at HAM Mine 1, GCCP has started production and continued the expansion of production scale and quarry development; at HAM Mine 2, GCCP is making continuous efforts in development which have yet to commence production.

GLD Mine is selling Precipitated Calcium Carbonate ("PCC") grade limestone chips and lumps to both domestic and overseas clients with limekilns (Figure II-4). Such strategy is justified by taking into consideration of the size of the reserves and production capacity of the GLD Mine as well as the cost and investment needed for constructing and operating a limekiln plant. As informed by GCCP, from 1st September 2017 onwards, GCCP had terminated the existing contractor and taken over the management of blasting, excavation, loading and transportation of uncrushed stones to the crushing plant. This lowered the extraction costs and the GLD Mine is still producing PCC grade limestone aggregates smoothly with no special issue to be reported. Production details are present in Section 2.4 below.

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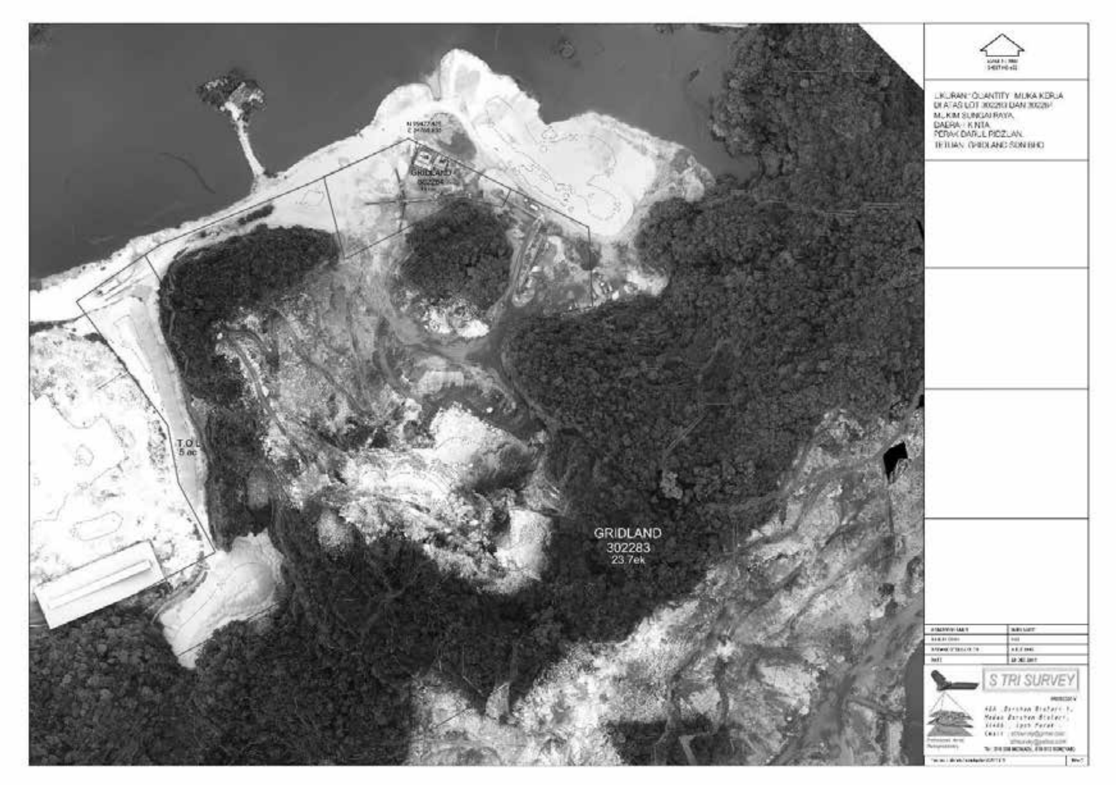
INDEPENDENT QUALIFIED PERSON'S REPORT

Figure II- 2 Satellite image of the GLD Mine (Date: 28 December 2017)



Source: S Tri

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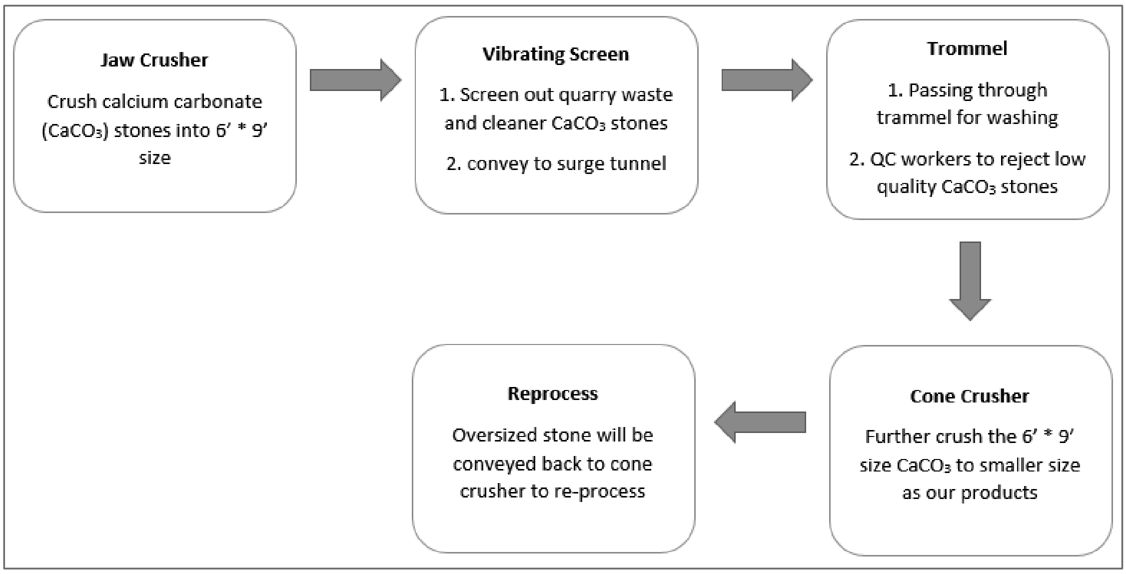
INDEPENDENT QUALIFIED PERSON'S REPORT

Figure II- 3 Revised quarry plan of the GLD Mine (Date: 3 October 2017)

INDEPENDENT QUALIFIED PERSON'S REPORT

Figure II- 4 Operation flow chart of crushing plant



Source: GCCP

Due to the proximity of location between HAM Mine 1 and 2 (Figure II-5), GCCP decided to develop HAM Mine 1 and 2 together. HAM Mine 1's development has been well advanced and production commenced in the first quarter of 2017. According to GCCP, a complete 500 TPH (Primary) / 1000 TPH (0/100MM) crushing and screening and washing plant had been set up and commissioned for the production of ground calcium carbonate (GCC) grade limestone chips and lumps. The construction of GCC powder plant is delayed since GCCP decided to focus on quarry development in HAM Mine 1 and 2. GCCP will review and conduct additional studies to assess the implementation of the GCC powder plant and slurry plant.

The quarrying operation of HAM Mine 1 is as shown in Figure II-6. Ores from blasting and excavating are broken down to 600 mm and below by rock crushers, and then transported to the GCC crushing plant. The operation flow is same as that of the GLD Mine. HAM Mine 1 produces both GCC grade limestone chips and lumps, and will produce GCC powder after the GCC powder plant is set up. Upon commencing production, HAM Mine 2 aims to operate with the same process.

HAM Mine 1 outsourced the blasting and delivery of stones to the primary feed hopper since their start of production. From 1st September 2017 onwards, similar to GLD Mine, GCCP terminated the existing contractor and took over the operation of uncrushed stones. GCCP hired approximately 30 ground staffs for the operation at the site and the proposed powder plant will hire an additional 43 personnel including managers/supervisors, packing & loading crew, logistics, warehouse, quality control, maintenance and administrative staff. It is the Management's plan that HAM Mine 2 will use the same powder plant once it has been constructed and put in use.

INDEPENDENT QUALIFIED PERSON'S REPORT

Figure II- 5 Satellite image of the HAM Mine 1 (Date: 28 December 2017)

Source: S Tri

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INDEPENDENT QUALIFIED PERSON'S REPORT

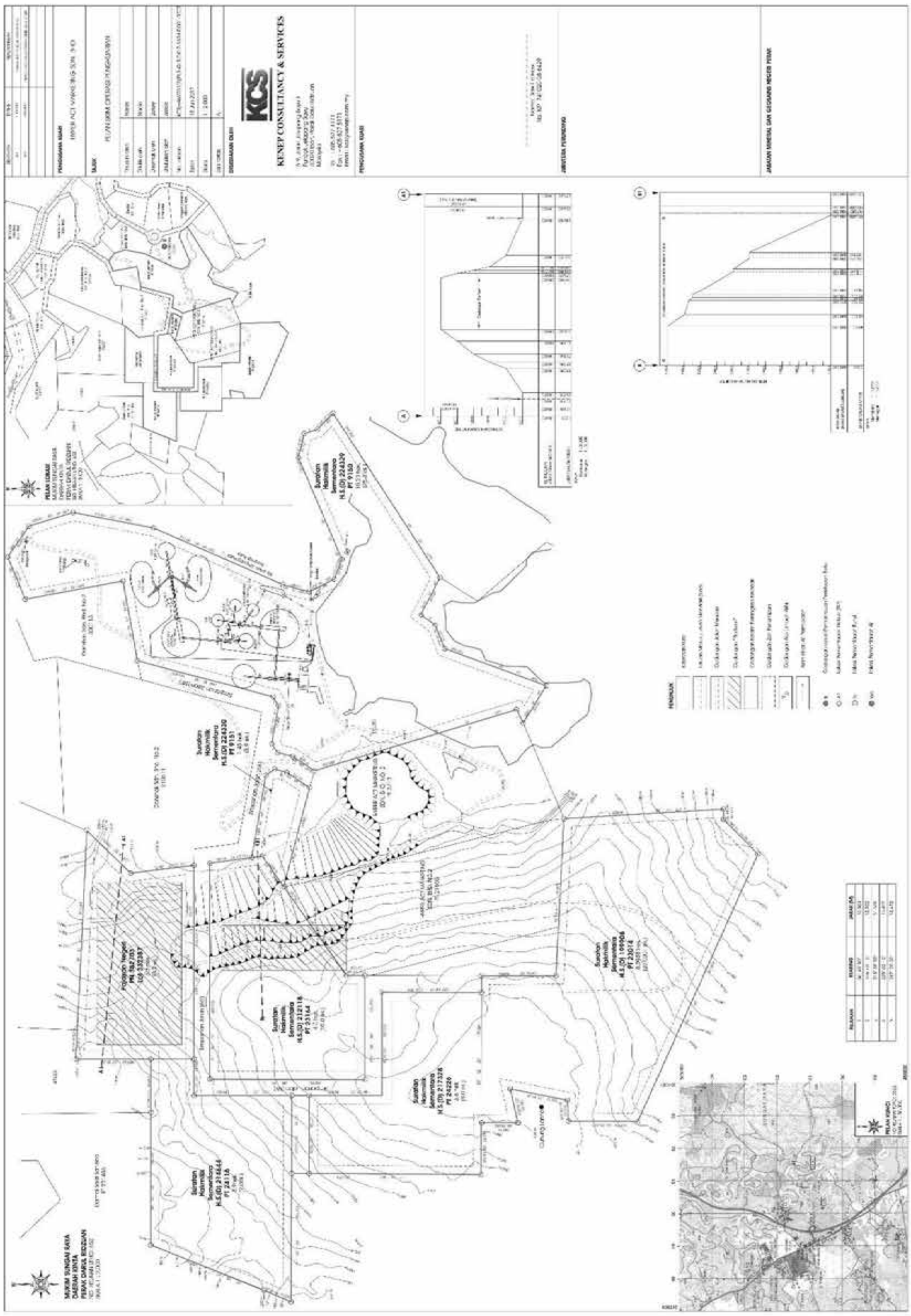

Figure II- 6 Revised quarry plan for HAM Mine 1 (Date: 15 June 2017)

INDEPENDENT QUALIFIED PERSON'S REPORT

2.3 Operating Licenses and Approvals

Malaysia government 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 land rights.

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 are usually 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 is also covered under Section 70 of the NLC.

License for mineral material handling of the GLD Mine and HAM Mine 1

In Malaysia, "Lesen pemindahan bahan mineral" (License for mineral material handling) is needed for mineral removal and extraction. The license is subject to annual renewal. GCCP has already obtained the renewed licenses for the GLD Mine and the HAM Mine 1. For HAM Mine 2, there is no license obtained yet since it is still under development. GCCP will submit all licenses for approval once HAM Mine 2 is ready to produce (Fig. II-6 is solely for HAM Mine 1). Details of the licenses are presented in Table II-1. The copies of the license are presented in Appendix B.

Table II- 1 Details for the license for mineral material handling

Item	GLD Mine	HAM Mine 1
Registration No.	8/2017	9/2017
No. Lot	Lot 302283; Lot 302284	Lot 332387; PT 24226; PT 24116; PT 23014; PT 23164
Current Title No.	PN 258388; 258390	PN 382703; H.S.(D) 217328; H.S.(D) 214644; H.S.(D) 199908; H.S.(D) 212118
Area (hectare)	9.489	60
Sub-district	Mukim Sungai Raya	Mukim Sungai Raya
District	Kinta	Kinta
Expiration date	31 December 2018	31 December 2018
Owner	Gridland Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.

Note: 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.

SKP and land titles of the GLD Mine, HAM Mine 1 and HAM Mine 2

To operate a quarry in Malaysia, a Quarrying Approval Letter is needed. The Quarrying Approval Letter is called the Surat Kelulusan Pengkuarian ("SKP") in Malaysia which subject to annual renewal. According to GCCP, the local authority has granted the new approval of the SKPs for GLD Mine, HAM Mine 1 and 2 to GCCP already with each expiring on 31 December 2018, 30 June 2018 and 30 June 2018 respectively. The copies of the SKPs are presented in Appendix C.

INDEPENDENT QUALIFIED PERSON'S REPORT

GLD Mine has a portfolio of mining leases area covers a total of approximately 10.118 hectare and has a mining elevation ranging from 50 to 240m. As informed by GCCP, since the 2017 IQPR, the local government has converted the original SKP H.S. (D) 214917/PT302283 to PN380610/Lot332220 and L.M.S. 1403000421 to L.P.S 1703000126. These parcels of land are under the title of TOL, which are subject to annual renewal. The Company has renewed the TOL for Year 2018 and there was no significant impact of the conversion on the operation of the mine. It is informed by GCCP that the Company will submit application in converting these parcels of land to permanent land titles by next year. Details of SKP for GLD Mine are presented in Table II-2.

HAM Mine 1 has a portfolio of mining lease area covers a total of approximately 23.3101 hectares and has a mining elevation ranging from 100m to 400m. HS. (D) 224329 and HS. (D) 224330 were added to the SKP in 2017, on where the crusher plant was built. There was no significant impact of the conversion on the operation of the mine. A complete crushing, screening and washing plant for the production for HAM Mines 1 and 2 had been set up on these two parcels of land.

HAM Mine 2 has a portfolio of mining lease area covers a total of approximately 8.0938 hectares and has a mining elevation ranging from 100 to 400m. There is no change in SKP for HAM Mine 2 since the 2017 IQPR.

Details of SKPs for HAM Mine 1 and 2 are presented in Table II-3 and Table II-4 respectively.

Table II- 2 Details of SKP of the GLD Mine

Item	GLD Mine		
P.N.	380610	258390	
No. Pt.	Lot 332220	Lot 302284	
Lesen Pendudukan Sementara (L.P.S)			1703000126
Area (hectare)	9.489	0.629	1.831
Sub-district	Mukim Sungai Raya	Mukim Sungai Raya	Mukim Sungai Raya
District	Kinta	Kinta	Kinta
Land usage	Quarrying Industry	Quarrying Industry	Quarrying Industry
Land title expiry date	28 June 2043	17 September 2056	
Owner	Gridland Sdn. Bhd.	Gridland Sdn. Bhd.	Gridland Sdn. Bhd.

Note: 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.

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 3 Details of SKP of the HAM Mine 1

Item	HAM Mine 1						
P.N	382703						
No. HS. (D)	217328	214644	199908	212118		224329	224330
No. Pt.	PT 244226	PT 24116	PT 23014	PT 23164	Lot 332387	PT9150	PT9151
Area (hectare)	3.5612	3.9252	8.0938	4.047	3.3252	10.2345	0.5868
Sub-district	Sungai Raya	Sungai Raya	Sungai Raya	Sungai Raya	Sungai Raya	Sungai Raya	Sungai Raya
District	Kinta	Kinta	Kinta	Kinta	Kinta	Kinta	Kinta
Land usage	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial
Land title expiry date	3 December 2043	14 June 2043	6 June 2041	27 March 2043	31 July 2043	8 July 2045	8 July 2045
Owner	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.

Note: 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.

INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 4 Details of SKP of the HAM Mine 2

Item	HAM Mine 2	
No. HS. (D)	178990	222863
No. Pt.	PT 21550	PT 3713
Area (hectare)	4.0469	4.0469
Sub-district	Sungai Raya	Sungai Raya
District	Kinta	Kinta
Land usage	Industrial	Industrial
Land title expiry date	20 October 2038	13 May 2045
Owner	Hyper Act Marketing Sdn. Bhd.	Hyper Act Marketing Sdn. Bhd.

Note: 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.

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;
- 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.

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

INDEPENDENT QUALIFIED PERSON'S REPORT

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.

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 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".

The Environmental Quality Act (1974) regulated a list of possible environmental emission during different industrial activities, including:

- Atmospheric pollution;
- Noise pollution;
- Soil pollution;
- Inland water pollution; and
- Discharge of oil and wastes into Malaysian water.

2.4 Environmental Mitigation Measures Implemented

GCCP has implemented a number of measures to mitigate the environmental impact associated with the quarrying activities.

Mitigation measures implemented related to quarrying activities

Blasting is a major quarry activity. Impact from blast vibration is limited because the nearest off lease structure is more than 300m away and the charge masses per delay in the blast designs are such as to predict minimal vibration levels at the lease boundaries. For airblast and noise, since the quarry is in a non-sensitive area in that the nearest residential houses are more than 500m from the mine gate. Hence noise and airblast are unlikely to be significant if properly controlled during each blast.

For blasting operation, GCCP adopted the following measures to reduce the impact from airblast and noise:

- 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; and
- Quarry fines to be used as stemming material.

For flying rock from blasting, GCCP adopted 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;

INDEPENDENT QUALIFIED PERSON'S REPORT

– 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.

For dust emission control, GCCP has adopted the following measures to mitigate the impact:

– Rock mass at the blast will be fragmented under extremely high pressure at the time of detonation creating considerable dust over a short duration;

– To wet the anticipated area before the blast;

– Water are sprayed at all rock transfer points and roadways are watered down on a regular basis to reduce dust from crushing and screening;

– Quarry operator employs water truck to continuously wetting the haulage roads; and

– Trucks loaded with materials will have their wheels cleaned in a drive-through wash-bay when they are leaving the quarry.

Dumping, water and waste management

Rock extracted from the quarry faces will be transported to a 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. For 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.

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. 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 is 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. Water management practices of the GLD Mine and both the HAM Mines have been approved by the relevant authorities upon obtaining the SKPs. 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. Both the HAM Mines operate on a similar water drainage system where the water filled pits from previous alluvial tin mines provide water storage and silt traps.

There are proper and safe handling procedures for used diesel and lubricants in the quarry to prevent spillage which will pollute both the surface and underground water. Used oils and lubricants are stored in special containers and kept in a store prior to disposal sold to outside buyers.

2.5 Production Records and Product Sales

A total of 470,745.99 tonnes of PCC grade limestone material was excavated from the GLD Mine between January 2017 and December 2017. A total of 440,114.83 tonnes of PCC grade limestone chips and lumps

INDEPENDENT QUALIFIED PERSON'S REPORT

were produced and 229,113 tonnes were sold. The total revenue generated form the production was MYR 11,809,888.64. Production and sales record breakdown are shown in Table II-5 and II-6. The discrepancies between the production and sales were mainly induced by the building up of stockpiles for incoming orders. As informed by GCCP, they had approached the steel and cement industries, which require huge amount of ready stocks, and received positive feedback. The management foresees the sales will improve collectively, matching with the production in the later parts of Year 2018.

From the HAM Mine 1, a total of 117,998.09 tonnes of GCC grade limestone chips and lumps were produced in 2017 and 103,899.21 tonnes were sold. The total revenue generated from the production was MYR 9,451,530. Production and sales record breakdown are shown in Table II-7 and II-8 respectively. There was no production in December 2017 because GCCP had focused on quarry development, where it was not cost effective to produce a small amount of limestone and the HAM Mine 1 has built up sufficient stocks to cater for future deliveries. Active production is expected to resume in the 2nd half of 2018. According to GCCP, since HAM Mine 2 was still in development phase, there was no production from them in 2017.

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 5 GLD Mine Production record by month

Date	Tonnage (t)	Quarry waste (t)
Jan-17	36,126.48	1,795.50
Feb-17	37,266.22	1,864.50
Mar-17	44,484.66	2,263.50
Apr-17	44,415.21	2,220.76
May-17	42,423.39	2,121.17
Jun-17	34,700.08	1,600.20
Jul-17	33,827.04	1,645.80
Aug-17	30,055.94	3,138.20
Sep-17	17,876.74	1,792.80
Oct-17	40,712.72	4,325.40
Nov-17	39,935.53	5,875.20
Dec-17	38,290.83	1,988.13
Total (t)	440,114.83	30,631.16
Grand total of material excavated (t)	470,745.99	

Source: GCCP

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 6 GLD Mine sale revenue by month

Date	Tonnage (t)	Sale revenue (MYR)[1]
Jan-17	18,392.97	1,015,434.00
Feb-17	16,633.74	990,423.00
Mar-17	16,997.00	871,479.00
Apr-17	28,611.89	1,647,825.00
May-17	11,013.31	526,232.64
Jun-17	15,677.88	889,868.00
Jul-17	15,842.70	880,596.00
Aug-17	17,350.67	876,509.00
Sep-17	15,703.43	911,950.00
Oct-17	23,039.30	1,217,743.00
Nov-17	21,036.07	907,314.00
Dec-17	28,814.04	1,074,515.00
Total	229,113.00	11,809,888.64

Source: GCCP

[1] USD / MYR exchange rate is set at 4.48 for overseas sales revenue

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 7 HAM Mine 1 Production record by month

Date	Tonnage (t)	Quarry waste (t)
Jan-17	2,775.50	329.88
Feb-17	5,696.18	677.01
Mar-17	6,712.44	797.79
Apr-17	11,075.21	1,363.79
May-17	10,428.21	1,464.29
Jun-17	12,856.29	1,881.82
Jul-17	14,700.80	1,869.79
Aug-17	13,270.20	1,351.08
Sep-17	17,722.86	2,062.58
Oct-17	14,620.80	885.60
Nov-17	7,291.44	1,137.24
Dec-17	848.16	456.35
Total (t)	117,998.09	14,277.20
Grand total of material excavated (t)	132,275.29	

Source: GCCP

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table II- 8 HAM Mine 1 sale revenue by month

Date	Tonnage (t)	Sale revenue (MYR)[1]
Jan-17	-	-
Feb-17	-	-
Mar-17	1,867.30	46,682.50
Apr-17	8,484.80	268,479.16
May-17	5,031.44	276,176.00
Jun-17	10,015.16	1,490,640.55
Jul-17	16,703.86	1,775,890.85
Aug-17	10,341.16	1,387,686.27
Sep-17	25,656.16	3,030,463.88
Oct-17	20,056.61	1,007,935.31
Nov-17	5,742.72	167,575.47
Dec-17	-	-
Total	103,899.21	9,451,530.00

Source: GCCP

[1] USD / MYR exchange rate is set at 4.48 for overseas sales revenue

INDEPENDENT QUALIFIED PERSON'S REPORT

III. GEOLOGICAL BACKGROUND

3.1 Regional Geology

The Project is tectonically located in the Western Belt of the Malaysia Peninsular (Figure III-1). The Western Belt oriented nearly N-S and it is separated from the rest part of the Malaysia by the N-S trending Betong-Raub Suture Zone. The Western Belt has undergone a long geological evolution since the Early Paleozoic. Stratigraphy and magmatism are well developed in the region. In particular, there are extensive Mesozoic granitic rocks across the whole Western Belt.

The Project is located in the N-S trending Kinta Valley (Figure III-2) in the C8entral Perak. The valley is flanked by the Kledang Range at the west and the Main Range at the east. The two ranges are mainly composed of Triassic to Early Jurassic mega-crystic granite. Microgranite usually present at the edges of the batholith. Ordovician schist is the oldest stratigraphic unit in the region. The largest outcrop of schist extends from Batu Gajah to Tanjung Tualang. The schist is overlain by Devonian to Permian sandstone and limestone. Limestone units in the region were also metamorphosed into marble by the adjacent Mesozoic intrusions. The region is extensively covered by Quaternary alluvium.

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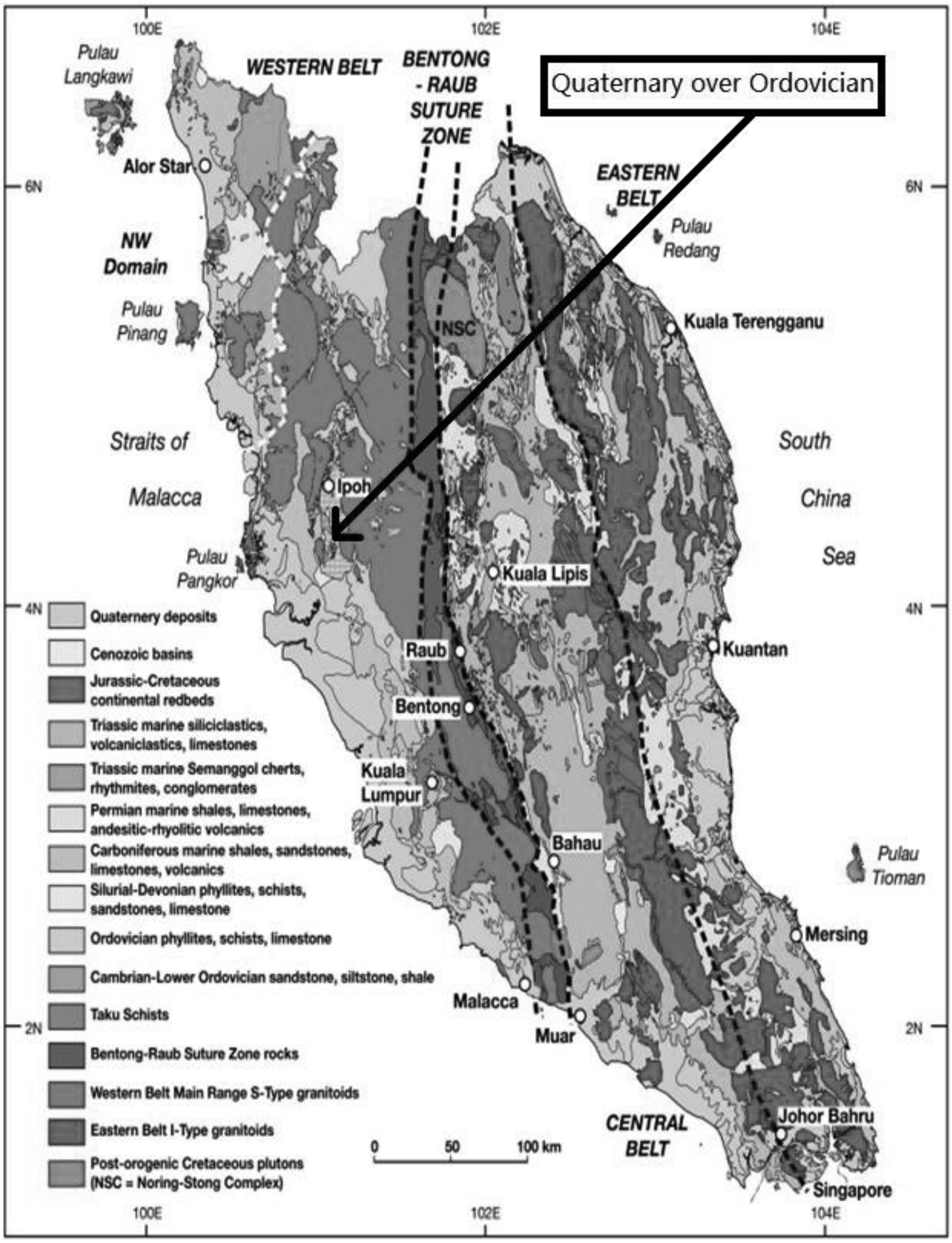
INDEPENDENT QUALIFIED PERSON'S REPORT

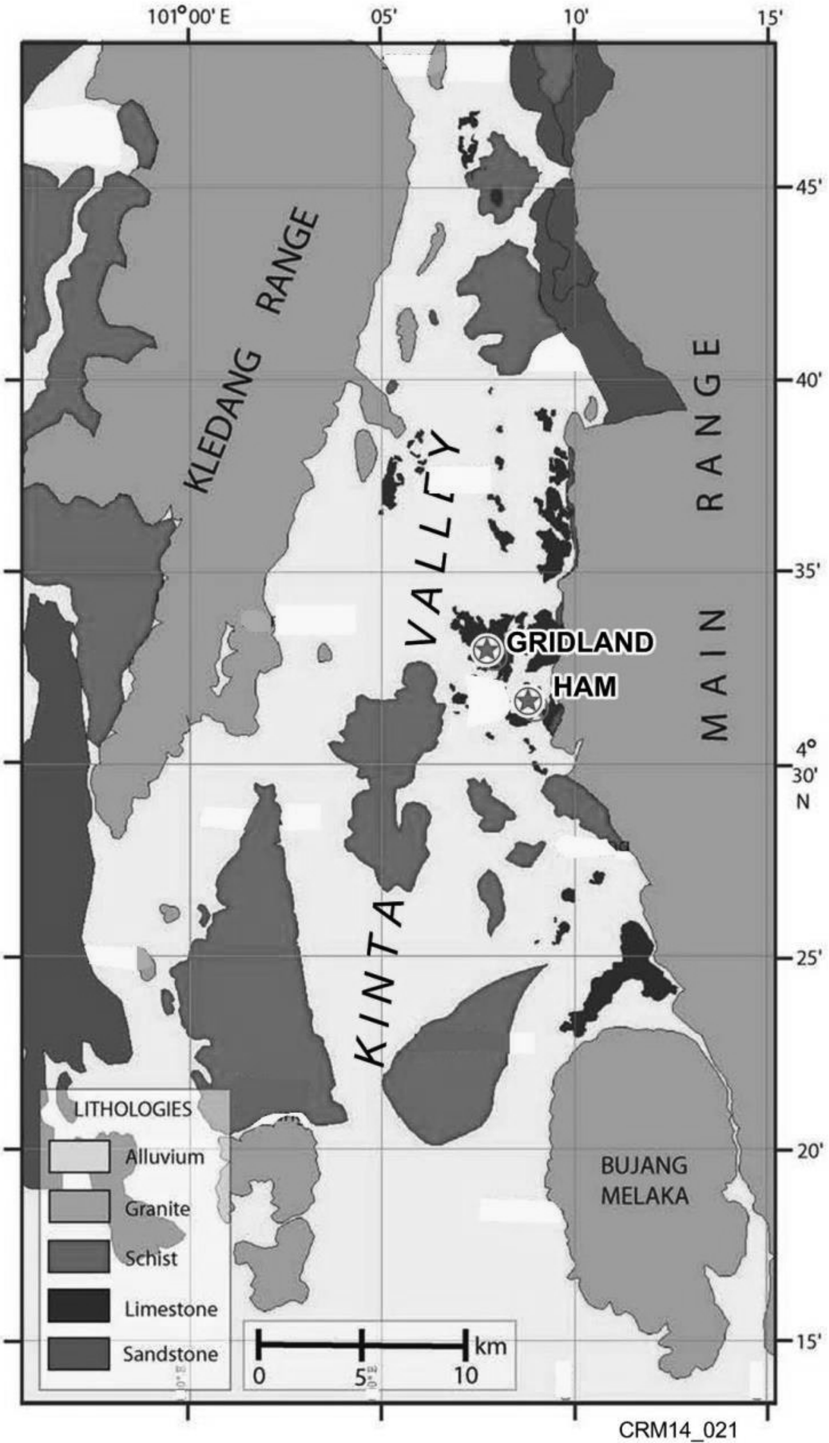
Figure III- 1 Geological map of Malaysia



Source: Chow et. al., 2014

INDEPENDENT QUALIFIED PERSON'S REPORT

Figure III- 2 Geological map of the Kinta Valley



Source: Chow et. al., 2014

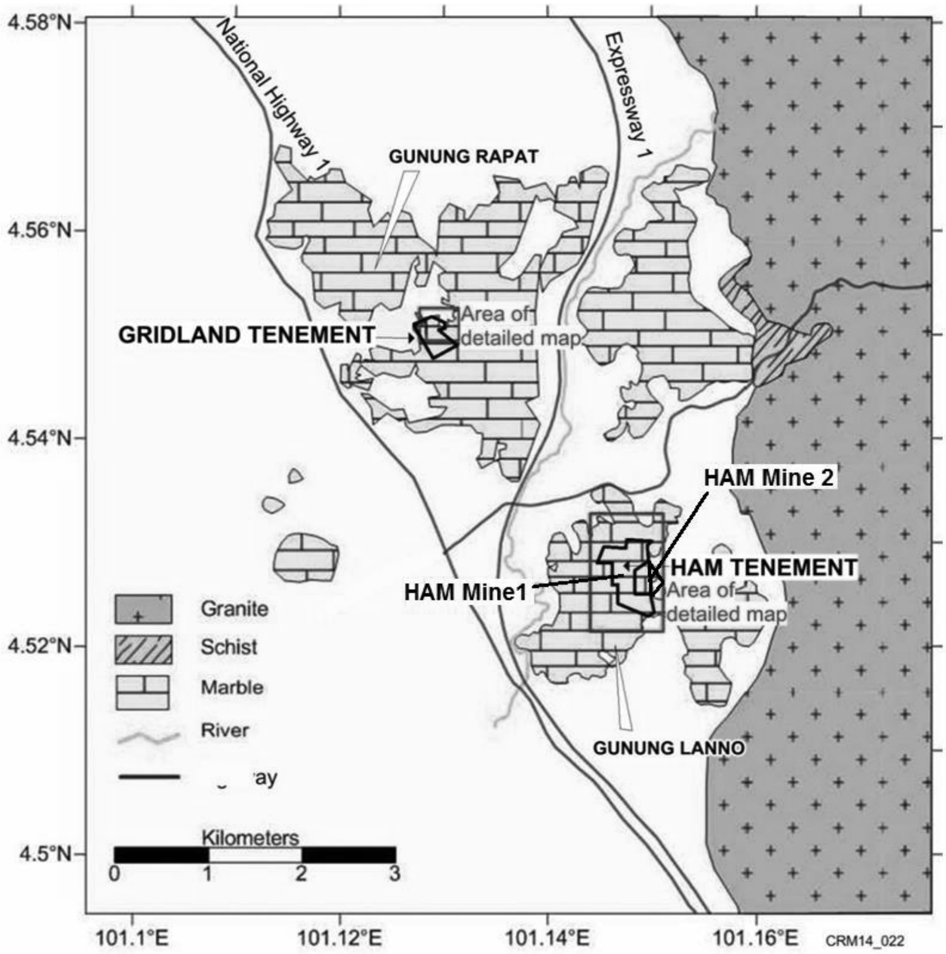
INDEPENDENT QUALIFIED PERSON'S REPORT

3.2 Deposit Geology

In GLD Mine, limestone is the dominant lithology and it is metamorphosed into marble due to the intrusion of granitic batholith. Beddings of the limestone are mostly obliterated during metamorphism. Structural feature in GLD Mine is characterized by 2 main sets of faults which strike NW and NE respectively (Figure III-4). Rock joint mapping showed that joints are mainly striking NE and SE.

The geology of the HAM Mine 1 and HAM Mine 2 are similar due to their proximity. Limestone was metamorphosed to marble due to the intrusion of the granite batholith. Beddings of limestone were observed in some locations but also are generally obliterated due to metamorphism. At the NE part of the mine, the beddings strike NW and dip moderately towards NE; at the NW part of the mine, the beddings strike S and dip gently towards W, suggesting there might be a fold structure within the area. There are two main sets of faults in the HAM Mine 1 and HAM Mine 2. They are striking NW and NE respectively (Figure III-5).

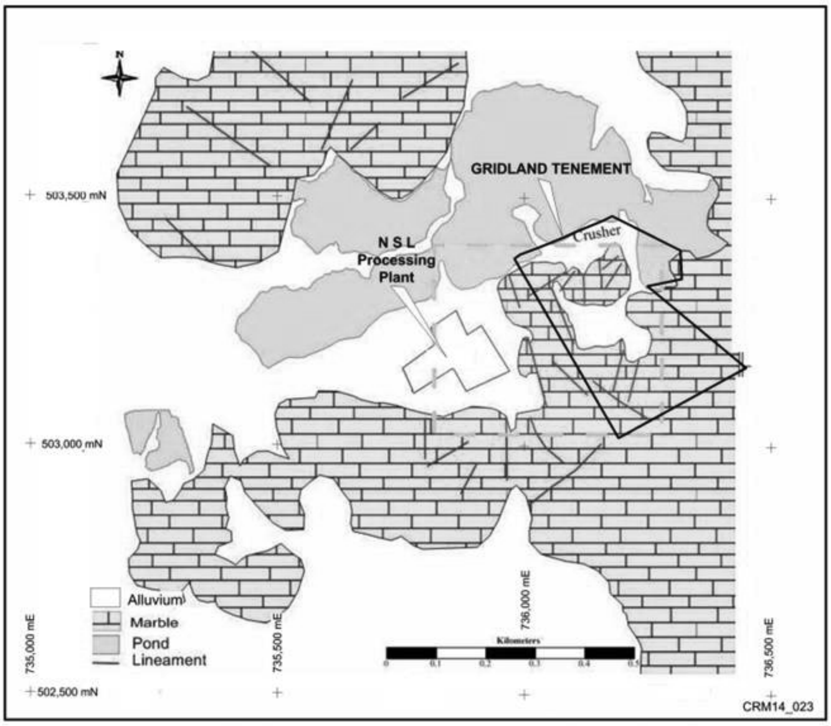
Figure III- 3 Geological map of the GLD Mine and the HAM Mine



Source: Modified from Chow et. al., 2014

INDEPENDENT QUALIFIED PERSON'S REPORT

Figure III- 4 Trends of the main lineaments of the GLD Mine



Source: Chow et. al., 2014

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INDEPENDENT QUALIFIED PERSON'S REPORT

3.3 Mineralization

In both GLD Mine and HAM Mine, limestone has been metamorphosed into marble. It predominantly composed of fine to coarse grained recrystallized calcite and dolomite. Metamorphism is probably due to the intrusion of granitic batholith located few kilometers eastward during the Mesozoic. Due to recrystallization of calcite crystals, the density and the strength of the rock increased. In GLD Mine, HAM Mine 1 and HAM Mine 2, marble hills are characteristically steep-sided, with sub-vertical to overhanging cliffs.

Despite the proximity between the GLD Mine and HAM Mine 1 and HAM Mine 2, marble outcrops exhibit different surface colour. Samples collected from the HAM Mine 1 are generally light grey in colour, while the samples collected from the GLD Mine are generally darker. Moreover, the field survey carried out at the GLD Mine highlighted the presence of several thin tin veins between the marble. Previous chemical analysis performed on these samples demonstrated that the content of $CaCO_3$ for those samples are generally higher than 98% in which the marble can be classified between the Pure Limestone and the Highly Pure Limestone (for more details, please refer to the 2014 IQPR, April 2016 IQPR and August 2016 IQPR).

Late Mg-enriched hydrothermal fluids, probably also derived from the intruding felsic magma, might have metasomatized part of the limestone unit into dolomite or magnesium rich marble. In addition, there is a band of hematite of 10m wide observed in the project area. This might also be attributed to the magmatic hydrothermal fluids derived from the felsic magma which replaced some of the limestone to iron ore (hematite).

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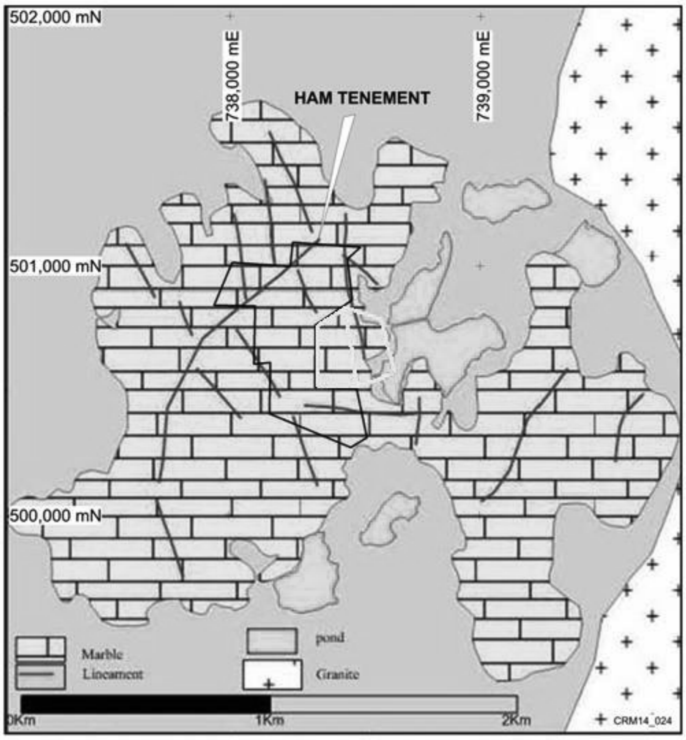
INDEPENDENT QUALIFIED PERSON'S REPORT

Figure III- 5 Trends of the main lineaments of the HAM Mine 1 (black boundary line) and HAM Mine 2 (yellow boundary line)



Source: Chow et. al., 2014

3.4 Recent Exploration

As informed by GCCP, there was no new exploration activity within the SKPs since the date of the 2017 IQPR.

3.5 Quarry Survey in 2017

There was no quarry survey performed in the GLD Mine in 2017 because it is a producing mine, the resources estimate can be done by reconciling with the production data in 2017.

A volume survey was also carried out on HAM Mine 1 and 2 by the Surveyor and was reported on 28 December 2017. According to GCCP, there was no additional earthworks in HAM Mine 1 and 2. The survey indicates that between 09 December 2016 and 28 December 2017, total volume extracted within SKP Lot 332387, PT 23164 and PT21550 was 170,201.55m3. The discrepancy between the total volume extracted and the production volume was mainly due to the high percentage of overburden soil and limestone that did not meet the market requirement and thus they were classified as waste materials. These waste materials were used for land fill sites, construction of access roads, sold and potion fallen into the valley after blasting. The total extracted volume of HAM Mine 1 and 2 in 2017 is shown in Table III-1. The location of the extraction is present in Fig. III-6.

INDEPENDENT QUALIFIED PERSON'S REPORT

Table III- 1 Total extracted volume within HAM Mines (combined HAM Mine 1 and 2) in 2017

Time period	Report date	Location (SKP)	Total earthworks volume (m^3)	Reference
09 December 2016 to 28 December 2017	28 December 2017	Overlapping Lot 332387, PT 23164 and PT 21550	170,201.55	Fig. III-6

Note: Datum is at 59.9m for HAM Mines

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INDEPENDENT QUALIFIED PERSON'S REPORT

Figure III- 6 Location of extraction in overlapping Lot 332387 (formerly PT24149), PT 23164 and PT 21550 of the HAM Mine 1 and 2, between 09 December 2016 and 28 December 2017. Indicated by yellow, shaded area.

INDEPENDENT QUALIFIED PERSON'S REPORT

IV. MINERAL RESOURCES ESTIMATE

4.1 Introduction

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 1 December 2014 and is a mineral resource/ore reserve classification system that has been widely adopted and recognised internationally. The Mineral Resources[1] and Ore Reserves[2] in this 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 Resource, Indicated Resource, and Inferred Mineral Resource categories according to the level of geological confidence of the estimate (Figure IV-1).

- **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;

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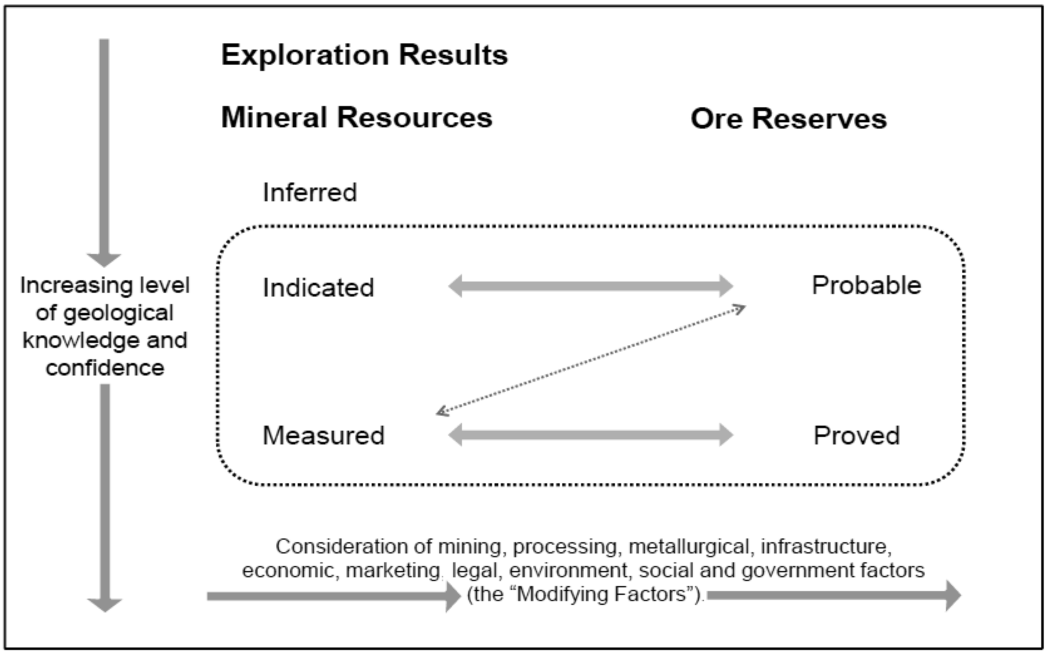
[1] *As defined in the 2012 Edition of the JORC Code*
[2] *As defined in the 2012 Edition of the JORC Code*

INDEPENDENT QUALIFIED PERSON'S REPORT

Figure IV- 1 The JORC Code schematic Mineral resources and their conversion to Ore reserves



Source: The JORC Code 2012

- **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 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 Reserves. It is reasonably expected that the majority of Inferred Mineral Resource could be upgraded to Indicated Mineral Resource with continued exploration.

Generally, Ore Reserves are quoted as comprising part of the total Mineral Resources 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 (for details see IQP Reports issued in October 2014 -hereafter referred as “2014 IQPR”- and updates in April 2016, August 2016 and February 2017 -hereafter referred as “April 2016 IQPR”, “August 2016 IQPR” and “2017 IQPR”).

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

4.2 General Procedures and Parameters for the Resources Estimation

The drill hole or trench sampling density required to define a certain class of mineral resources 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 and HAM Mines comprised of large stratiform mineralized bodies of hundreds to thousands of meters in dimension with good continuity in both chemical composition and thickness. These considerations are fully validated by the results of core drillings, sample analyses and surface mapping (2014 IQPR; April 2016 IQPR; August 2016 IQPR).

4.3 Determination of Block Boundaries and Confidence Levels

Limestone deposits differ considerably from the majority of metalliferous 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 Resources CP has elected to constrain the Measured Resource 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), 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.

INDEPENDENT QUALIFIED PERSON'S REPORT

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 Resource block of the two mines was 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 Mines
At the HAM Mines 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 investigate 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), 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

INDEPENDENT QUALIFIED PERSON'S REPORT

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 3 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 Reserves.

At the GLD Mine and the HAM Mines, 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 Resource could be upgraded to Indicated Mineral Resource 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 HAM Mines, respectively) corresponding to -22.2m a.s.l. and -10.1m a.s.l. at the GLD Mine and the HAM Mines, respectively.

The parallel section method, a polygonal method based on projected cross sections, was used for the limestone resources estimation of the GLD Mine and the HAM Mines. Mineral Resource estimation was made on cross sections and plans with drilling and sampling information on the CAD drawings.

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INDEPENDENT QUALIFIED PERSON'S REPORT

4.4 Limestone Resources Estimation Procedure

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.

4.5 Limestone Resources Statement

Limestone mineral resources statement of the GLD Mine

GCC grade limestone production occured in GLD since 31st July 2014 resulting in a depletion of the limestone resources. During 2017 production focused exclusively in the Indicated Resource block. According to the production data provided by GCCP, the total excavated material during 2017 sums to 470,746 tonnes, which approximately equals to 170,350 m^3.

The estimate of each category of Mineral Resources under the JORC Code as at 31 December 2017 for the GLD Mine are summarised in Table. IV-1 to IV-3. Resource category of GLD Mine is shown in Fig. IV-2. These calculations are exactly the same as calculated in February 2017 with the exception of the Indicated Resource Block that experienced a depletion of **170,350 m^3** up to 31 December 2017.

Table IV- 1 Measured Mineral Resource of the GLD Mine (unrounded)

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	165,400
3	6,280.2	50	353,716
3bis	7,868.4	50	170,623
4	462.1	12.87	2,974
Non carbonate materials (2% subtraction)			13,854
Total Volume (m^3)			**678,857**

Table IV- 2 Indicated Mineral Resource of the GLD Mine (unrounded)

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	425,748
1	15,243.4	100	2,329,404
2	32,411.3	100	3,373,915
3	35,067	100	2,400,267
4	14,439.1	56.08	404,872
Total Volume (m^3) at 31 July 2014			8,934,207
Non carbonate materials (2% subtraction)			178,684
Resource depletion from 31 July 2014 to 31 December 2016			955,758
Resource depletion during up to 31 December 2017			174,350
Total Volume (m^3)			**7,625,415**

INDEPENDENT QUALIFIED PERSON'S REPORT

Table IV- 3 Inferred Mineral Resource of the GLD Mine (unrounded)

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	36,155
1	1,294.5	100	963,550
2	17,976.5	100	2,654,925
3	36,171.5	100	2,485,465
4	15,055.9	56.1	422,318
Non carbonate materials (2% subtraction)			131,248
Total Volume (m^3)			**6,431,165**

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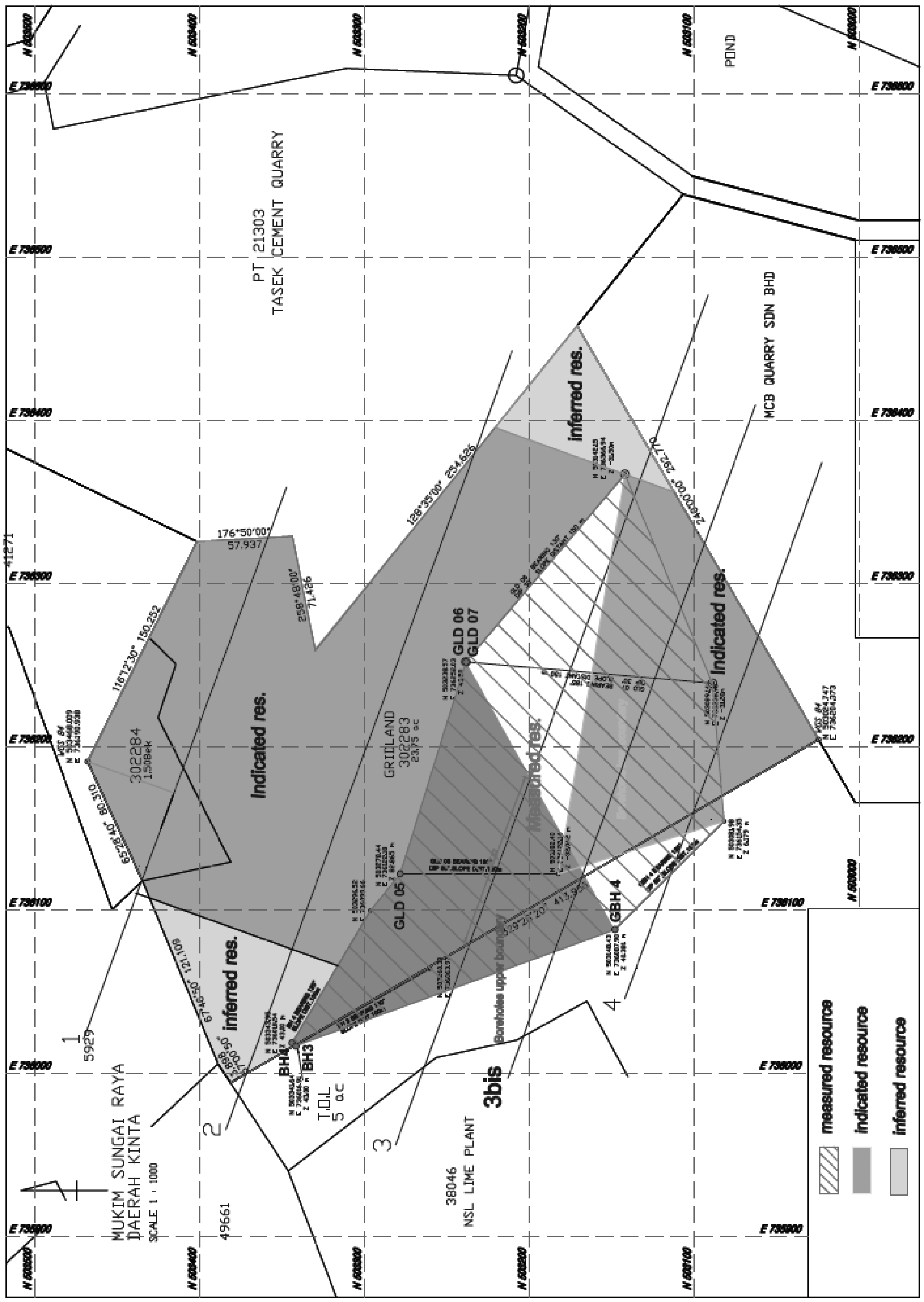
INDEPENDENT QUALIFIED PERSON'S REPORT

Figure IV- 2 Map of GLD Mine with Resource Category



Source: Surveyor - Ching Kok Yee

INDEPENDENT QUALIFIED PERSON'S REPORT

The above estimated volumes include a 2% reduction factor to account for cavities and non-carbonate material observed in drill core during the past exploration campaigns (see 2014 IQPR) and which has been proven by limestone quarrying in the surrounding areas.

The Mineral Resources estimate of the GLD Mine under the JORC Code as at 31 December 2017 are summarised in Table IV-4 below in both in million cubic meters (“Mm^3”) and million metric tonnes (“Mt”). The conversion from cubic meters to tonnes was achieved by applying an average bulk dry density of 2.7tonne per cubic meter (“t/m^3”).

The limestone resources estimates are inclusive of limestone mineralization comprising the calcium carbonate reserves. The Measured and Indicated Mineral Resource can be used for limestone Ore Reserves estimate and mine planning.

$CaCO_3$ grade was estimated from geological dataset of all samples for grade estimation and an arithmetic average of 98.2% was adopted as global grade for GLD. In the opinion of the QP the global arithmetic average for $CaCO_3$% is fair and reasonable to use. The remaining components are represented by MgO (0.44%), SiO_2 (0.19%), and Fe_2O_3 +Al_2O_3 (0.12%), which are not detrimental for the production of either GCC or PCC.

Table IV- 4 Mineral Resources estimate of the GLD Mine as at 31 December 2017^

	Total volume (Mm^3)	Bulk dry density (t/m^3)	Total tonnage (Mt)	$CaCO_3$ Grade (%)	$CaCO_3$ tonnage (Mt)
Measured Resource	0.5	2.7	2	98	2
Indicated Resource	7.5	2.7	21	98	20
Total (Mea. + Ind.)	8.5	2.7	22	98	22
Inferred Resource	6	2.7	17	98	17
Grand Total	**15**	**2.7**	**40**	**98**	**39**

Note: Totals may appear to be inconsistent due to appropriate rounding. The resources reported are rounded to 2 significant figures (except for Inferred Mineral Resource which are rounded to 1 significant figure). The resources estimation includes a 2% reduction factor for cavities and non-carbonate materials observed in drill core.
^ This limestone resources statement of GLD Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2017. Mr. Sergio Matteoli is an EurGeol and member of the European Federation of Geologists and a Qualified Professional Member 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

INDEPENDENT QUALIFIED PERSON'S REPORT

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.

Limestone mineral resources statement of the HAM Mines

From 31 July 2014 up to all 2016 the only excavations in the HAM mine are due to preparatory operations (access roads, infrastructure constructions, etc.). Only when excavations exceeded a depth of 3 m a depletion of mineral resources was considered. In fact, as assumed in the previous resources estimations, an average 3 meter thick level of weathered material and loose sediments (overburden) is expected in the entire mine area. This level was not - and will not - considered as part of the mineral resources.

Most of the GCC production in the HAM Mines occurred during 2017 and focused exclusively in the Indicated Resource block. According to the production data provided by GCCP, the total excavated material during 2017 sums to 132,275 tonnes, which approximately equals to **49,991 m^3**.

The volume discrepancy between production value and the total volume extracted (170,201 m^3 as described in the volume report provide by GCCP) is mainly due to the removal of the 3 meter thick level of weathered material and loose sediments.

Mineral Resources under the JORC Code as at 31 December 2017 for HAM Mine are summarised in Table IV-5 to IV-8 below. Resource category of HAM Mines is presented in Fig. IV-3.

In the “2017 IQPR” resource estimation HAM limestone ore was subdivided in two mining sites (HAM1 and HAM2; see figure IV-3 for location) and resources were calculated separately for the two site and then joined to obtain the grand total for the whole HAM mine site. Conversely, in this report the resources were estimated without considering internal subdivisions. Because of the estimation method used (parallel sections), this change arouses small discrepancies in the estimation of the same resource category, notably the Indicated Resource category (+1.4 Mt with respect to the 2017 estimation).

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table IV- 5 Measured resource of the HAM Mines (unrounded)

Cross section/block (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
2			0	0
3			16.43	1,027,215
4	4 north	62,520.7	67.97	1,362,220
	4 south	20,041.5	62.03	5,677,160
4bis		100,483.4	37.97	2,497,496
5	5	36,380.9		2,082,806
	5 north	8,853.5	57.25	734,782
	5 south	16,815.7		
HAM7+HAM8		-	-	207,993
HAM9	north	7,386.7	3.56	26,297
	south	1,326.4	22.64	30,030
7	7north	46,800.9	27.02	1,264,560
	7south	47,717.9	100	3,828,355
8		29,849.2	100	1,865,271
9	9	9,378.0	21	173,228
	9a	8,248.9	-	-
Non carbonate materials (2% subtraction)				415,548
Total Volume (m^3)				**20,361,865**

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table IV- 6 Indicated Resources of the HAM Mines (unrounded)

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	37.05	271,761
	14,670.0	100	3,296,232
2	55,645.7	100	8,559,636
3	119,573.1	100	9,215,383
4	67,205.1	100	7,510,163
5	82,974.1	100	11,646,293
6	153,554.6	100	10,121,265
7	56,740.6	100	4,301,084
8	29,281.0	100	1,267,223
9	1,693.6	21	34,393
	1,637.8	-	-
Total Volume (m^3) before excavations			56,223,990
Non carbonate materials (2% subtraction)			1,124,480
Resource depletion during 2016 (m^3)			99,814
Resource depletion during 2017 (m^3)			49,991
Total Volume (m^3)			**54,949,705**

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table IV- 7 Inferred Resources of the HAM Mines (unrounded)

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	42.42	25,926
2	1,222.33	100	710,875
3	15,720.38	100	1,442,315
4	13,124.92	100	328,148
5	0	100	117,666
6	4,706.65	100	296,576
7	1,517.83	100	173,899
8	1,960.14	100	93,540
9	207.82	21	2,182
Non carbonate materials (2% subtraction)			63,823
Total Volume (m^3)			**3,127,305**

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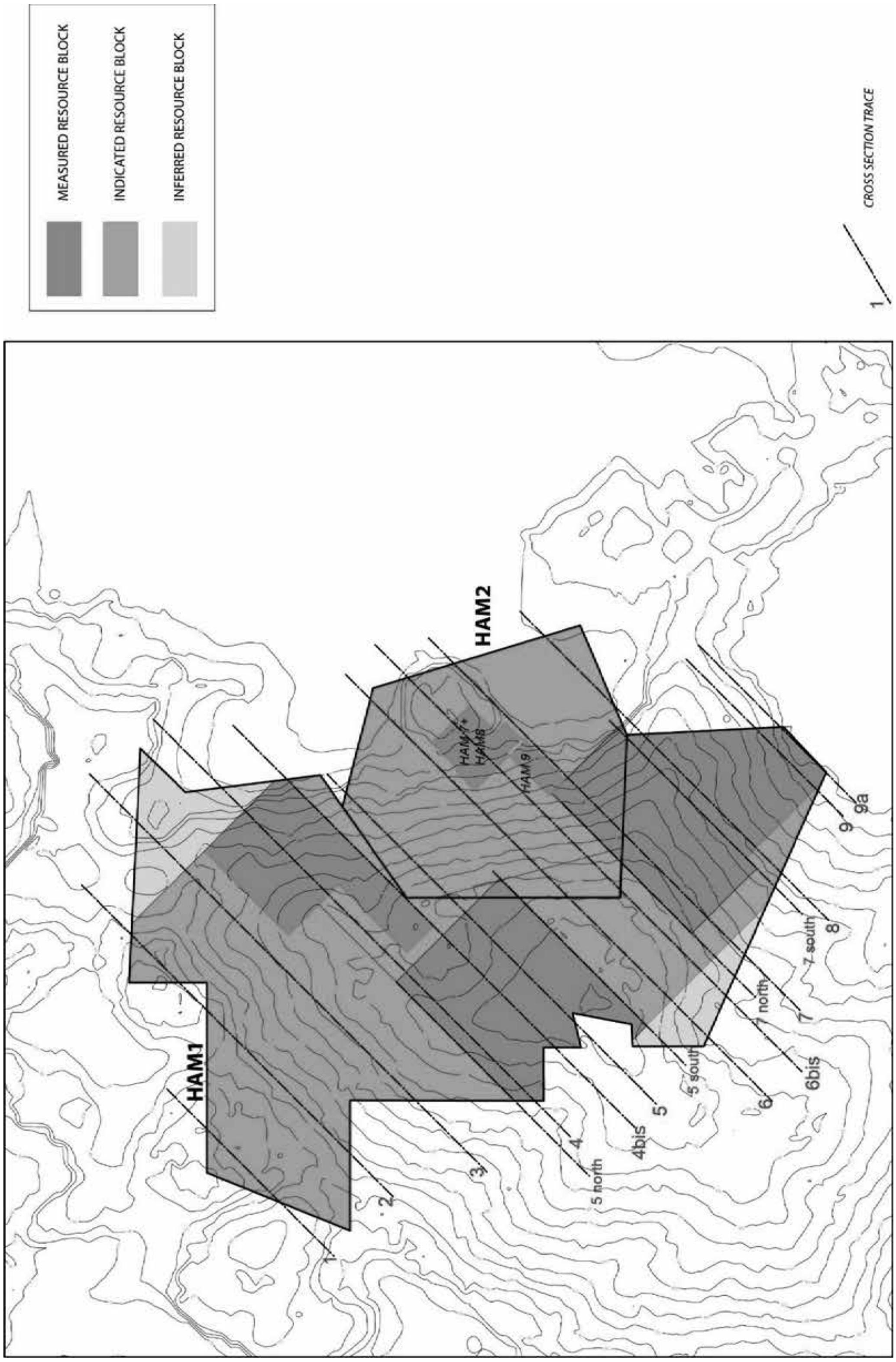
INDEPENDENT QUALIFIED PERSON'S REPORT

Figure IV- 3 Map of the proposed HAM Mine with Resource Category



Source: Surveyor - Ching Kok Yee

MEC1802001 **GCCP Resources Limited — 45 | 80**

INDEPENDENT QUALIFIED PERSON'S REPORT

The above estimated volumes include a 2% reduction factor to account for cavities and non-carbonate observed in drill core and which has been proven by limestone quarrying in the surrounding areas.

The Mineral Resources estimate of the HAM Mine under the JORC Code as at 31 December, 2017 are summarised in Table V-8 below in both Mm^3 and Mt. The conversion from cubic meters to tonnes was achieved by applying an average bulk dry density of $2.704 t/m^3$.

The limestone resources estimate is inclusive of limestone mineralization comprising the calcium carbonate reserves. The Measured and Indicated Mineral Resource can be used for limestone Ore Reserves estimate and mine planning.

$CaCO_3$ grade was estimated from geological dataset of all samples for grade estimation and weighted average of 93.0% was adopted as global grade for HAM. In the opinion of the QP the global arithmetic average for $CaCO_3$% is fair and reasonable to use. The remaining other components are represented by MgO, SiO_2, and Fe_2O_3 +Al_2O_3 are not detrimental for the production of either GCC or PCC.

Table IV- 8 Mineral Resources estimation of the HAM Mines as at 31 December 2017^

	Total limestone volume (Mm^3)	Bulk dry density (t/m^3)	Total limestone tonnage (Mt)	$CaCO_3$ Grade (%)	$CaCO_3$ Tonnage (Mt)
Measured Resource	20	2.7	55	93	51
Indicated Resource	55	2.7	150	93	140
Total (Mea. + Ind.)	75	2.7	200	93	190
Inferred Resource	3	2.7	8	93	8
Total	**78**	**2.7**	**210**	**93**	**200**

Note: Total may appear to be inconsistent due to appropriate rounding. The resources reported are rounded to 2 significant figures (except for Inferred Resource which are rounded to 1 significant place). The resources estimate includes a 2% reduction factor for cavities and non-carbonate materials observed in drill core.

^This limestone resources statement of HAM Mine is compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2017. 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.

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INDEPENDENT QUALIFIED PERSON'S REPORT

V. ORE RESERVES ESTIMATE

The JORC code states that “An Ore Reserve is defined as the economically mineable part of a Measured and/or Indicated Mineral Resource”. It includes diluting materials and allowances for mining loss which may occur during material is mined and extracted and is demonstrated by studies at Pre-Feasibility or Feasibility level as appropriate that include the application of modifying factors. Such studies demonstrate that at time of reporting, extraction could reasonably be justified. Ore Reserves are classified into Proven and Probable categories. Its conversion from JORC Mineral Resource is presented in Figure IV-1.

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.

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 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.

INDEPENDENT QUALIFIED PERSON'S REPORT

Statement of Ore Reserves of the GLD Mine

Table V- 1 Ore Reserve Statement of GLD Mine as at 31 December 2017

Category	Mineral Type	Tonnes (Mt)	Grade $CaCO_3$ %
Probable	Limestone	4.0	98.2
Total	Limestone	4.0	98.2

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, 2017. 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).

Statement of Ore Reserves for HAM Mines

Table V- 2 Ore Reserve Statement of HAM Mines as at 31 December 2017

Category	Mineral Type	Tonnes (Mt)	Grade $CaCO_3$ %
Proved	Limestone	2.2	96.1
Probable	Limestone	19.6	96.1
Total	Limestone	21.9	96.1

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, 2017. 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).

It is GCCP's decision to develop and operate HAM Mine 1 first. After considering the terrain, locations, accessibility, logistics, preliminary quarry planning, cost benefit assessment, mine life and other practical factors of the situation, it is the GCME's opinion that it is reasonable to prioritize the development and operation of HAM Mine 1. HAM Mine 2 could be developed in the future with a more comprehensive developing plan.

There is no Ore Reserves statement for HAM Mine 2 at the moment as a result of the management's decision on development plan as above and the fact detailed quarry plan is not available at current stage.

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INDEPENDENT QUALIFIED PERSON'S REPORT

VI. OPEX AND CAPEX REVIEW

6.1 OPEX of the GLD Mine

As informed by GCCP, the actual mining cost of the GLD mine had reduced by 24% from 13.22 MYR/t in year 2016, to 10.04 MYR/t in 2017 (Table VI-1). Since 1st September 2017, GCCP had terminated the existing contractor and taken over the management of blasting, excavation, loading and transportation of uncrushed stones to the crushing plant. The lowered extraction costs resulted from the change explains the reduction in mining cost.

Table VI- 1 GLD Mine OPEX parameters

Item	Unit	Parameter value (actual)
Production rate	t/a	440,114.83 (Production) 229,113 (Sales)
Commodity price	MYR/t	33.44 (Limestone chips and lumps)
Mining cost	MYR/t	10.04
Processing cost	MYR/t	Included in mining cost
Administration	MYR/t	Included in mining cost
Royalty	MYR/t	2.90

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

Source: GCCP

6.2 CAPEX and OPEX overview of the HAM Mine 1 and 2

HAM Mine 1 had started production in March 2017, and the OPEX is shown in Table VI-2. HAM Mine 1 and 2 will be developed and exploited in conjunction according to GCCP. Given the close proximity of the two mines and their geographical connection, it is of GCME's opinion that a quarry plan based on such development concept is not only feasible but also will bring synergy to both HAM Mine 1 and 2. It is therefore reasonable for both HAM Mine 1 and 2 to have the same and OPEX.

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INDEPENDENT QUALIFIED PERSON'S REPORT

Table VI- 2 HAM Mine 1 and 2 OPEX parameters

Item	Unit	Parameter value (actual)
Production rate	t/a	117,998.09 (Production) 103,889.21 (Sales)
Commodity price	MYR/t	58.67 (Limestone chips and lumps)
Mining cost	MYR/t	41.99
Processing cost	MYR/t	Included in mining cost
Administration	MYR/t	Included in mining cost
Royalty	MYR/t	2.90

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

Source: GCCP

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INDEPENDENT QUALIFIED PERSON'S REPORT

VII. NPV ANALYSIS

A net present value analysis of the GLD, HAM Mine 1 and 2 has been carried out based on the assumption listed in Table VII-1 to VII-2.

HAM Mine 1 and 2 will be developed and exploited in conjunction according to GCCP. Given the close proximity of the two mines, it is GCME's opinion that a quarry plan based on such development concept is not only feasible but also will bring synergy to both HAM Mine 1 and 2 in which the production rate and production cost (i.e. mining cost, processing cost, administrative cost, CAPEX etc.) will be shared between HAM Mine 1 and 2.

Table VII- 1 Key parameters for NPV analysis of GLD Mine

Parameter	Value (actual)
Reserves (Probable)	4.0 Mt as at 31 December 2017
Production Rate	480,000 t/a
Commodity Price	MYR 33.44 (limestone chips and lumps)
Mining Cost	MYR 10.08 / ROM t
Processing Cost	Included in mining cost
Admin	Included in mining cost
Discount Rate	12%

Table VII- 2 Key parameters for NPV analysis of HAM Mine (Combined HAM 1 Mine and HAM 2 Mine)

Parameter	Value
Reserve (Proven + Probable) of HAM 1	21.9 Mt at 31 December 2017
Resource (Measured + Indicated) of HAM 2	36,000,000 ton, assuming 80% of resources can be converted to reserves
Production Rate	1,080,000 t/a
Commodity Price	MYR 58.67 (chips and lumps) MYR 270 (uncoated powder) MYR 350 (coated powder)
Mining Cost	MYR 41.99 / ROM t
Processing Cost	MYR 173.63 /t (uncoated) MYR 231.63 /t (coated)
Admin	Included in mining cost
CAPEX	MYR 71,595,172
Discount Rate	16%

Remarks: The reason why only fractions of the limestone resource are converted to reserves in HAM Mine 1 is lacking of drilling verification. It is GCME's opinion that more resources would eventually converted to reserves and derive economic value with more drilling in the future.

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INDEPENDENT QUALIFIED PERSON'S REPORT

Assumptions and Limiting Conditions

This NPV analysis of all the quarries has been made based upon the following principal assumptions and limiting conditions in order to sufficiently support our conclusion of fair market value:

- The NPV is calculated based on reserves only and is different to a VALMIN compliant valuation;
- all relevant legal approvals, business certificates or licenses for the normal course of operations are formally obtained and in good standing (or without encumbrances) and no material additional costs or fees are needed to procure such during the application. The SKPs (Surat Kelulusan Pengkuarian) are subject to annual renewal at minimal cost;
- information provided by others is believed to be reliable, as is information derived from publications, GCCP and government reports;
- the economic outlook in general and the specific economic and competitive elements affecting each segment of the industry are stable and in accordance with prediction;
- there will be no material change in the existing political, legal, fiscal, foreign trade and economic conditions in Malaysia where the Project is and where the Project is carrying on their businesses;
- there will be no significant deviation in the industry trends and market conditions from the current market expectation;
- there will be no significant changes in interest rates or foreign currency exchange rates from those currently prevailing;
- there will be no major change in the current taxation law in Malaysia and countries of origin of our comparable companies;
- projected operation figures and other documents are assumed to be correct;
- limestone prices are estimated based on current local market prices and estimates supplied by GCCP's management. These product prices were reviewed by GCME with reference to purchase orders received from customers of GCCP and current selling prices achieved by nearby quarries, and were found to be fair and reasonable;
- market conditions and status of companies engaged in similar nature of business remain unchanged;
- GCCP is in full compliance with all applicable regulations and laws, unless the lack of compliance is stated, described, and considered in this report;
- HAM Mine 2 will retain competent management, key personnel, and technical staff to support the ongoing business operations; and
- HAM Mine 2 will be developed and operated in conjunction with the adjacent HAM Mine 1, following the same procedures, producing identical products at a shared cost.

Under prevailing market conditions, GLD Mine has a positive net present value ("NPV") of USD 21.15 M; HAM Mine 1 and 2 is expected to generate a positive net present value of USD 94.99 M, this show proven economic viability of the Project.

It should be noted that this NPV analysis should not be considered as a mineral valuation. It should also be noted that the adjustments made are all going to change the value of the project. The Projects might have different NPV under different market conditions.

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INDEPENDENT QUALIFIED PERSON'S REPORT

VIII. CONCLUSION

We have completed a comprehensive review of the current operation of the Project and compiled a 2018 IQPR update with Mineral Resources and Ore Reserves reported in accordance with the 2012 JORC Code. All material changes of the Project are reviewed by the qualified person and GCME's team.

In 2017, GLD produced a total of 440,114.83 tonnes of PCC grade limestone chips and lumps and 229,113 tonnes were sold. The total revenue generated form the production was MYR 11,809,888.64 and there is no special issue concerning production to be reported. From the HAM Mine 1, a total of 117,998.09 tonnes of GCC grade limestone chips and lumps were produced in 2017 and 103,899.21 tonnes were sold. The total revenue generated from the production was MYR 9,451,530. There was no production since December 2017 because GCCP had focused on quarry development and the HAM Mine 1 has built up sufficient stocks to cater for future deliveries and active production is expected to resume in the 2nd half of 2018. According to GCCP, since HAM Mine 2 was still in development phase, there was no production from them in 2017.

GLD Mine has a total 22 Mt Measured and Indicated Resource, among which the Measured Resource is 2 Mt and the Indicated Resource is 21 Mt. HAM Mines have a total 200 Mt Measured and Indicated Resource, among which the Measured Resource is 55 Mt and the Indicated Resource is 150 Mt.

GLD Mine has a total 4.0 Mt Ore Reserves and all belongs to Probable Reserve. HAM Mines has a total 21.9 Mt of Ore Reserves, in which 2.2 Mt belongs to Proved Reserve and 19.6 Mt belongs to Probable Reserves.

We have also conducted a high-level review and in-depth interview with GCCP's management for the condition of GLD Mine and HAM Mines 1 and 2 in order to prepare this 2018 IQPR. Past production and additional site work continues to support the estimation of significant Mineral Resources and Ore Reserves at GLD Mine and HAM Mines which have been reported in accordance with the 2012 Edition of the JORC Code. It is GCME's opinion that the management team has exercised professional practice in managing the production and development of the quarry assets.

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INDEPENDENT QUALIFIED PERSON'S REPORT

Yours faithfully,
For and on behalf of
GREATER CHINA MINERAL & ENERGY CONSULTANTS LIMITED

Sergio Matteoli	**Gary Man**
BSc, MSc	*Registered Professional Surveyor*
MINCG, MIMEA, EurGeol,	*(G.P.),*
QPMMMSA	*FHKIoD, FRICS,*
Principal Consultant	*MHKIS, MCIREA*
Qualified Person	Managing Director

IX. REFERENCE

Chisholm, J.M. and Croeser, R., 2014. Pre-Feasibility Study of the Litmus Project, Perak State, Federation of Malaysia, Continental Resource Management Pty Ltd.

Chow, W.S., Abdul Hadi Bin Abd Rahman., Khor, W.C., 2014. Geology of the Gridland Quarry at Gunung Rapat and the Western Knob of Gunung Lanno. Department of Petroleum Geoscience, Universiti Tekologi Petronas, Malaysia.

JORC, 2012. Australasian Institute of Mining and Metallurgy's (AusIMM) Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves Committee, Joint Ore Reserves Committee, JORC, 2012. 44 pp.

INDEPENDENT QUALIFIED PERSON'S REPORT

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 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.

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX A – INVOLVED STAFF BIOGRAPHY

Mr. Sergio Matteoli *MSc (Dimension Stone Geology), and BSc (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 principal 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*

Managing Director

Mr. Gary Man has more than 28 years of experience in valuation and consultancy field. He has been engaged in numerous assignments mainly covering the Asia-Pacific region, in particularly countries such as China, Hong Kong, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam, and further west to India, Kazakhstan and Republic of Maldives. In particular, he serviced for many International and PRC clients such as China Everbright Limited, Chinasoft International Limited, Coca Cola, Deutsche Bank, Exxon Mobile, General Motors, Roche Pharmaceutical, J.P. Morgan, Tencent Group, Tetra Pak, Toray, Whirlpool, etc. He was also responsible for a few huge and complex valuation work of the first batch H-shares PRC enterprises that were first listed in The Stock Exchange of Hong Kong during the early 1990's.

Currently, he is the board member of the RICS Asia Board and the Chairman of the RICS Asia Business Valuation Committee. Also he is the committee member of the RICS Global Business Valuation Sub-board and the RICS Asia Professional Valuation Group. Mr. Gary Man is the Director of Greater China Mineral and Energy Consultants Limited.

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX B – COPY OF OPERATION LICENSE

Operation license of the GLD Mine

SALINAN ASAL

No. Siri: A 000108

JADUAL 1
ENAKMEN MINERAL (PERAK) 2003
[subseksyen 87A(5)]
BORANG K
LESEN PEMINDAHAN BAHAN MINERAL

Rujukan Fail: PTG. PK. 72/2/5-4 (D) Jld. 3

No. Lesen Pemindahan Bahan Mineral / Pendaftaran: 8/2017

No. Lot / L.O.: LOT 302283, 302284

No. hakmilik semasa: PN 258388, 258390

Kawasan: 9.489 Hektar

Bandar / Pekan / Mukim: SUNGAI RAIA

Daerah: KINTA

Tarikh pendaftaran: 3 JANUARI 2017

Tempoh lesen: 1 TAHUN

Tarikh tamat tempoh: 31 DISEMBER 2017

Sewa tahunan: -

Nama pemegang lesen: GCCP GRIDLAND ~~SN~~ SDN BHD

No. K.P.P.N. (jika berkenaan): -

Alamat pemegang lesen: NO. 56-2, JLN PJU 5/21, THE STRAND KOTA DAMANSARA, 47810 PETALING JAYA.

PERAK

Sebagai balasan fi yang kena di bayar sebanyak RM 400.00 (2 PLOT) tanah yang disebut di atas yang, bagi maksud pemindahan bahan mineral, seperti ditunjukkan dalam pelan yang dilampirkan.

Bertarikh: 3/1/2017

PENGARAH TANAH DAN GALIAN, PERAK DARUL RIDZUAN (meterai) PERAK

Pengarah Tanah dan Galian

Kuantiti: 260,000.00 m/t

Deposit: RM 32,500.00 (BATU KAPUR)

INDEPENDENT QUALIFIED PERSON'S REPORT

Operation license of the HAM Mine 1

SALINAN ASAL

No. Siri: A 000109

JADUAL 1
ENAKMEN MINERAL (PERAK) 2003
[subseksyen 87A(5)]
BORANG K

LESEN PEMINDAHAN BAHAN MINERAL

Rujukan Fail: PTG. PK. 72/2/5-86 (D) Jld. 2

No. Lesen Pemindahan Bahan Mineral / Pendaftaran: 9/2017

No. Lot / L.O.: LOT 332387, PT 24226, 24116, 23014, 23164

No. hakmilik semasa: PN 382703, H.S. (D)217328, 214644, 199908, 21218

Ka..san: 60.000 Hektar

Bandar / Pekan / Mukim: SUNGAI RAIA

Daerah: KINTA

Tarikh pendaftaran: 3 JANUARI 2017

Tempoh lesen: 1 TAHUN

Tarikh tamat tempoh: 31 DISEMBER 2017

Sewa tahunan: –

Nama pemegang lesen: HYPER ACT MARKETING SDN. BHD.

No. K.P.P.N. (jika berkenaan): –

Ala..at pemegang lesen: D21-1, MENARA MITRALAND, NO. 13A, JLN PJU 5, KOTA DAMANSARA, 47810 PETALING JAYA.

PERAK

Sebagai balasan fi yang kena di bayar sebanyak RM 1,000.00 (5 PLOT), tanah yang disebut di atas yang, bagi maksud pemindahan bahan mineral, seperti ditunjukkan dalam pelan yang dilampirkan.

Bertarikh: 3/1/2017

(meterai)

PENGARAH TANAH DAN GALIAN, PERAK DARUL RIDZUAN

Pengarah Tanah dan Galian

Kuantiti: 100,000.00 m/t

Deposit: RM 12,500.00 (BATU KAPUR)

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX C – COPY OF SKPs

SKP for the GLD Mine in 2018

JMG.PRK.(Q) BIL. 05/2018/11/(Ls) 5

PERAK

JABATAN MINERAL DAN GEOSAINS MALAYSIA, PERAK

SURAT KELULUSAN SKIM KUARI
(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK.(Q) BIL. 05/2018/11/(Ls)

1. Kelulusan diberi kepada:

GCCP GRIDLAND SDN. BHD. (No. Syarikat: 845675-T)

Untuk menjalankan kerja pembangunan dan pengkuarian dalam kawasan hakmilik seperti berikut :

No. Hakmilik	No. Lot	Mukim	Daerah
PN 258390 PN 380610 L.P.S 1703000126	302284 332220 -	Sungai Raia	Kinta

2. Kelulusan ini berdasarkan kepada Skim Pengkuarian yang dikemukakan oleh:

Juruperunding : Kenep Consultancy & Services (ECP: 1716-0000-PN-314)
Surat Rujukan : KCS/GRL/255/Pt.4-S1017/254/NN
Tarikh : 13 Oktober 2017
No. Ruj. Pelan : KCS/GRL/255/Pt.4-QLR-0917-1790-D001-R010

Bagi tempoh **01.01.2018** hingga **31.12.2018** tertakluk kepada syarat-syarat yang dinyatakan dalam Lampiran A.

(RUMAIZI BIN BAHARIN @ MD. DAUD, A.M.P., P.P.T.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.

Tarikh: 4/1/2018

1

INDEPENDENT QUALIFIED PERSON'S REPORT

JMG.PRK.(Q) BIL. 05/2018/11/(Ls)

Lampiran A

Syarat-syarat dikenakan:

JMG.PRK.(Q) BIL. 05/2018/11/(Ls)

1. Surat Kelulusan Skim Kuari (SKSK) ini hendaklah dipamerkan di pejabat kuari pada setiap masa dan dikemukakan apabila diminta oleh pegawai semasa pemeriksaan.
2. Sempadan-sempadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.
3. Tidak melaksanakan aktiviti pengkuarian / peletupan dalam jarak **sepuluh (10) meter** dari sempadan tanah hakmilik.
4. Tidak dibenarkan menceroboh atau merosakkan tanah kerajaan atau tanah berimilik atau tanah rezab.
5. Pemegang permit hendaklah menyediakan '*washing bay*' pada laluan keluar / masuk ke kuari atau lokasi yang sesuai.
6. Hendaklah melaksanakan program pemeliharaan dan pemuliharaan secara berterusan.
7. Insurans perlindungan awam (public liability insurance) hendaklah diperolehi bagi melindungi sebarang kemungkinan kerosakan kepada harta awam.
8. Kuari hanya dibenarkan beroperasi di antara jam 8.00 pagi sehingga jam 6.00 petang sahaja.
9. Satu laporan berskala setiap tiga (3) bulan mengenai aktiviti pengkuarian yang meliputi keselamatan operasi, keselamatan pekerja dan penjagaan alam sekitar hendaklah dikemukakan kepada Inspektor Kuari melalui Jurutera Perunding yang dilantik.
10. Semua operasi pengkuarian hendaklah diberhentikan serta merta sekiranya berlaku sebarang kemalangan atau kerosakan pada harta benda awam. Laporan secara lisan hendaklah dibuat kepada Pentadbir Tanah (Kuari) dengan serta merta dalam tempoh dua puluh empat (24) jam dan secara bertulis dalam tempoh dua (2) hari bekerja *(working days)* dari tarikh kejadian.
11. Pengurus kuari yang dilantik hendaklah bertanggungjawab sepenuhnya ke atas operasi pengkuarian.

Nama Pengurus Kuari	**No. Kad Pengenalan**
Liaw Vui Kong	**671122-12-5723**

Sebarang pindaan nama pengurus perlu dimaklumkan dan mendapat kebenaran Inspektor kuari.

2

INDEPENDENT QUALIFIED PERSON'S REPORT

JMG.PRK.(Q) BIL. 05/2018/11/(Ls)

12. Pengurus kuari hendaklah memeriksa kawasan kerja dan memastikan muka kuari selamat sebelum membenarkan para pekerja masuk untuk menjalankan kerja.

13. Pengurus kuari hendaklah mengambil langkah-langkah kawalan bagi melindungi keselamatan, kesihatan dan kebajikan semua pekerja ketika melakukan pekerjaan di kuari.

14. Pengurus kuari hendaklah mengambil langkah-langkah kawalan bagi memastikan operasi pengkuarian tidak menjejaskan keselamatan dan harta benda awam.

15. Pengurus kuari hendaklah mengambil langkah-langkah kawalan bagi gegaran, ledakan udara, bunyi bising, habuk, debu, minyak, kelodak dan lain-lain kesan persekitaran yang terhasil dari aktiviti pengkuarian untuk memastikan operasi pengkuarian tidak menjejaskan dan mencemarkan alam sekitar.

16. Pengurus kuari hendaklah sentiasa mengemaskini buku rekod pemeriksaan kuari.

17. Pengurus kuari hendaklah mengemukakan Penyata Pengeluaran Kuari bulanan (PQB JMG) kepada Pentadbir Tanah (Kuari) pada atau sebelum sepuluh (10) haribulan bulan berikutnya.

18. Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:

Bil	Nama Pembedil	No.Kad Pengenalan	No.Lesen
1	Ong Kien Onn	651215-08-5195	00587
2	Liaw Vui Kong	671122-12-5723	00335
3	Mohamad Pilus B. Wan Yahaya	710708-08-6513	00591
4	Ong Pi Cheok	711023-08-6347	00605
5	Ooi Poh Lim	780611-08-5555	00378

Sebarang pindaan senarai nama pembedil perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari.

19. Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan adalah seperti berikut:

Jenis Bahan Letupan	Kuantiti Dibenarkan	Unit
High Explosives	10	kg
Detonators (Elektrik/Nonel)	60	butir
Detonating Cord	500	meter

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran Inspektor Kuari.

3

INDEPENDENT QUALIFIED PERSON'S REPORT

JMG.PRK.(Q) BIL. 05/2018/11/(Ls)

20. Pengurus kuari dan pembedil hendaklah mengambil langkah-langkah keselamatan seperti membunyikan siren, meletakkan papan tanda amaran bahaya di tempat-tempat yang sesuai, menutup jalan keluar/masuk ke tapak peletupan semasa kerja-kerja peletupan dan menempatkan pengawal keselamatan di kawasan-kawasan tertentu sebelum, semasa dan selepas, setiap kali peletupan dilaksanakan bagi menjamin keselamatan pekerja dan orang awam serta harta benda.

21. Amaran yang mencukupi mesti diberi kepada semua orang di sekitar kawasan kuari supaya berada di tempat yang lebih selamat sebelum sebarang letupan dilakukan.

22. 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 tengahari hingga jam 5.00 petang.** Sebarang perubahan hendaklah mendapat kelulusan Inspektor kuari.

23. Kebenaran ini adalah tujuan membenarkan penggunaan bahan letupan dalam kawasan kuari sahaja. Bagi tujuan pembelian dan pemindahan bahan letupan, kebenaran mestilah diperolehi daripada pihak Polis Diraja Malaysia seperti mana yang terkandung di dalam Akta Bahan Letupan 1957.

24. Rekod-rekod mengenai setiap kerja peletupan termasuk tarikh, masa, jenis bahan letupan, kuantiti digunakan, rekabentuk peletupan dan nama pembedil yang disahkan oleh pembedil hendaklah disimpan sehingga luput tempoh satu (1) tahun dan hendaklah dikemukakan apabila diminta oleh pegawai semasa pemeriksaan.

25. Cadangan rekabentuk peletupan hendaklah dikemukakan melalui jurutera perunding dalam tempoh satu (1) minggu sebelum peletupan dilaksanakan kepada Inspektor kuari.

26. 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.

27. Hendaklah melaksanakan sistem tetingkat (benching) pada muka kuari mengikut spesifikasi kejuruteraan yang baik dan sesuai bagi tujuan keselamatan.

28. Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor kuari.

29. Parameter dan had bagi kawalan pencemaran yang perlu dipatuhi di kawasan sensitif atau kepentingan awam terhampir adalah seperti dalam **Jadual 1**.

30. Kelulusan ini boleh dibatalkan atau digantungkan atau dipinda syarat-syaratnya pada bila-bila masa, jika difikirkan perlu. Permohonan untuk membaharui Surat Kelulusan Skim Kuari ini hendaklah dibuat dalam tempoh **dua (2) bulan** sebelum tarikh luput.

4

INDEPENDENT QUALIFIED PERSON'S REPORT

SKP for the HAM Mine 1 in 2018

PERAK

JABATAN MINERAL DAN GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK.(Q) BIL. 59/2017/15/(Ls)

BAGI

SKIM PENGKUARIAN DI HAKMILIK-HAKMILIK SEPERTI BERIKUT:-

HAKMILIK	MUKIM	DAERAH
H.S.(D) 217328 PT 244226 H.S.(D) 214644 PT 24116 H.S.(D) 199908 PT 23014 H.S.(D) 212118 PT 23164 PN 382703 Lot 332387 H.S.(D) 224329 PT 9150 H.S.(D) 224330 PT 9151	Sungai Raia	Kinta

Untuk dilaksanakan oleh:-

HYPER ACT MARKETING SDN.BHD.
30 A, Medan Lapangan Lagenda 2,
31350 Simpang Pulai,
Perak Darul Ridzuan.

Berdasarkan skim operasi pengkuarian **HYPER ACT MARKETING SDN.BHD.** (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding **Kenep Consultancy & Services** melalui suratnya **KCS/HAM/251(2)Pt.1-S0517/081/NN** bertarikh **11 Mei 2017** dan rujukan pelan No. **KCS/HAM/251(2)/Pt.1-QLR-0417-1624-D001-R001**.

2. Kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh mulai **1.7.2017** hingga **30.06.2018** tertakluk kepada syarat-syarat berikut:-

Fail: JMG.PRK. (LK) (K) : (KR) / 172 Jld.2 1

INDEPENDENT QUALIFIED PERSON'S REPORT

2.1. Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.

2.2. Sempadan-sempadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.

2.3. 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.

2.4. Pengurus kuari yang dilantik hendaklah bertanggung jawab sepenuhnya keatas operasi pengkuarian

Nama Pengurus Kuari	No.Kad Pengenalan
En. Liaw Vui Kong	**671122-12-5723**

Sebarang pindaan nama pengurus perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari Perak.

2.5. Penyata pengeluaran bulanan kuari (**Galian 338 PQB**) hendaklah dikemukakan kepada Inspektor Kuari dalam dua (2) salinan pada atau sebelum sepuluh (10) haribulan bulan berikutnya, setiap bulan.

2.6. Mempunyai Insurans perlindungan awam *(Public Liability Insurance)* bagi melindungi sebarang kemungkinan kerosakan kepada harta awam dan nyawa manusia.

2.7. Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang telah diluluskan.

2.8. Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari. Pokok-pokok sedia ada dalam kawasan kuari hendaklah dipelihara dan ditebang mengikut keperluan sahaja.

2.9. Tahap habuk mendap hendaklah tidak melebihi **133 mg/m^2/hari** *(annual mean of monthly averages)* di tapak pemantauan.

2.10. 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 tengahari hingga jam 5.00 petang.** Sebarang perubahan hendaklah mendapat kelulusan Inspektor Kuari Perak.

INDEPENDENT QUALIFIED PERSON'S REPORT

2.11. Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:-

Nama Pembedil	No.Kad Pengenalan	No.Lesen
a) En. Liaw Vui Kong	671122-12-5723	00335
b) En. Ong Kien Onn	651215-08-5195	00587
c) En. Mohamad Pilus bin Wan Yahya	710708-08-6513	00591

Sebarang pindaan senarai nama pembedil perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari Perak.

2.12. Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan adalah seperti berikut:

Jenis Bahan Letupan	Kuantiti
a) High Explosives	10 kg
b) Detonating Cord	400 meter
c) Detonators	60 butir
d) Safety fuse	10 meter

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari Perak.

2.13. Langkah-langkah keselamatan seperti membunyikan siren, meletakkan papan tanda amaran bahaya di tempat-tempat yang sesuai, menutup jalan keluar/masuk ke tapak peletupan semasa kerja-kerja peletupan dan menempatkan pengawal keselamatan di kawasan-kawasan tertentu hendaklah diambil sebelum, semasa dan selepas, setiap kali peletupan dilaksanakan bagi menjamin keselamatan pekerja dan orang awam serta harta benda.

2.14. 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.

2.15. Mengemukakan cadangan rekabentuk peletupan melalui jurutera perunding dalam tempoh satu (1) minggu sebelum peletupan dilaksanakan kepada Inspektor Kuari Perak.

2.16. 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.

INDEPENDENT QUALIFIED PERSON'S REPORT

2.17. 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.

2.18. Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari Perak.

2.19. Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan ke jabatan ini melalui jurutera perunding yang dilantik.

2.20. 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.

2.21. 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 dan memasang lampu pada papan tanda tersebut supaya dapat dilihat dengan jelas pada waktu malam.

2.22. Lori atau kenderaan yang membawa bahan batu keluar dari 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 Tempatan.

2.23. Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.

2.24. Tidak melaksanakan aktiviti pengkuarian / peletupan dalam jarak **sepuluh (10) meter** dari sempadan tanah kuari.

2.25. Melaksanakan sistem tetingkat *(benching)* pada muka kuari mengikut spesifikasi kejuruteraan yang baik dan sesuai bagi tujuan keselamatan.

2.26. Menyediakan *'washing bay'* pada laluan keluar / masuk ke kuari atau lokasi yang sesuai.

2.27. Letupan utama dan sekunder tidak boleh dilaksanakan serentak.

2.28. Mematuhi segala syarat/peraturan yang telah ditetapkan oleh lain-lain agensi kerajaan / perundangan yang terlibat.

INDEPENDENT QUALIFIED PERSON'S REPORT

2.29. Hendaklah mematuhi syarat-syarat daripada Jabatan keselamatan dan kesihatan Pekerjaan Perak seperti di Lampiran A.

3. 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.

(RUMAIZI BIN BAHARIN @ MD. DAUD, A.M.P.,P.P.T.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.

Tarikh: 28/8/2017

Fail: JMG.PRK. (LK) (K) : (KR) / 172 Jld.2 5

INDEPENDENT QUALIFIED PERSON'S REPORT

SKP for the HAM Mine 2 in 2018

PERAK

JABATAN MINERAL DAN GEOSAINS NEGERI PERAK

SURAT KELULUSAN SKIM KUARI

(Seksyen 4 Peraturan Kuari Perak 1992)

JMG.PRK.(Q) BIL. 60/2017/16/(Ls)

BAGI

SKIM PENGKUARIAN DI HAKMILIK-HAKMILIK SEPERTI BERIKUT:-

HAKMILIK	MUKIM	DAERAH
H.S.(D) 223863 PT 3713 H.S.(D) 178990 PT 21550	Sungai Raia	Kinta

Untuk dilaksanakan oleh:-

HYPER ACT MARKETING SDN.BHD.(NO.2)
30 A, Medan Lapangan Lagenda 2,
31350 Simpang Pulai,
Perak Darul Ridzuan.

Berdasarkan skim operasi pengkuarian **HYPER ACT MARKETING SDN.BHD.** (selepas ini disebut Pemegang Permit) yang dikemukakan oleh Jurutera Perunding **Kenep Consultancy & Services** melalui suratnya **KCS/HAM(02)/301-SO517/027/HA** bertarikh **04 Mei 2017** dan rujukan pelan No. **KCS/HAM02/301-QLR-0417-1622-D001**.

2. Kelulusan adalah diberi kepada Pemegang Permit untuk melaksanakan skim tersebut bagi tempoh mulai **1.7.2017** hingga **30.06.2018** tertakluk kepada syarat-syarat berikut:-

Fail: JMG.PRK. (LK) (K) : (KR) / 049 Jld.2 1

INDEPENDENT QUALIFIED PERSON'S REPORT

2.1. Surat Kelulusan Skim Kuari ini hendaklah dipamerkan di pejabat kuari pada setiap masa.

2.2. Sempadan-sempadan hakmilik tanah kuari hendaklah ditandakan dengan terang, betul dan dipelihara.

2.3. 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.

2.4. Pengurus kuari yang dilantik hendaklah bertanggung jawab sepenuhnya keatas operasi pengkuarian

Nama Pengurus Kuari	No.Kad Pengenalan
En. Liaw Vui Kong	**671122-12-5723**

Sebarang pindaan nama pengurus perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari Perak.

2.5. Penyata pengeluaran bulanan kuari (**Galian 338 PQB**) hendaklah dikemukakan kepada Inspektor Kuari dalam dua (2) salinan pada atau sebelum sepuluh (10) haribulan bulan berikutnya, setiap bulan.

2.6. Mempunyai Insurans perlindungan awam *(Public Liability Insurance)* bagi melindungi sebarang kemungkinan kerosakan kepada harta awam dan nyawa manusia.

2.7. Operasi pengkuarian hendaklah dilaksanakan mengikut cadangan skim pengkuarian yang telah diluluskan.

2.8. Pokok-pokok yang cepat membesar hendaklah ditanam di tempat-tempat yang sesuai dalam kawasan kuari. Pokok-pokok sedia ada dalam kawasan kuari hendaklah dipelihara dan ditebang mengikut keperluan sahaja.

2.9. Tahap habuk mendap hendaklah tidak melebihi **133 mg/m^2/hari** *(annual mean of monthly averages)* di tapak pemantauan.

2.10. 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 tengahari hingga jam 5.00 petang.** Sebarang perubahan hendaklah mendapat kelulusan Inspektor Kuari Perak.

INDEPENDENT QUALIFIED PERSON'S REPORT

2.11. Kerja-kerja letupan di dalam kawasan kuari hendaklah dibuat dan diawasi oleh pembedil-pembedil berikut sahaja:-

Nama Pembedil	No.Kad Pengenalan	No.Lesen
a) En. Liaw Vui Kong	671122-12-5723	00335
b) En. Ong Kien Onn	651215-08-5195	00587
c) En. Mohamad Pilus bin Wan Yahya	710708-08-6513	00591

Sebarang pindaan senarai nama pembedil perlu dimaklumkan dan mendapat kebenaran Inspektor Kuari Perak.

2.12. Jumlah maksimum kuantiti bahan letupan yang dibenarkan bagi setiap satu kerja letupan adalah seperti berikut:

Jenis Bahan Letupan	Kuantiti
a) High Explosives	10 kg
b) Detonating Cord	400 meter
c) Detonators	60 butir
d) Safety fuse	10 meter

Sebarang perubahan penggunaan bahan letupan hendaklah mendapat kebenaran daripada Inspektor Kuari Perak.

2.13. Langkah-langkah keselamatan seperti membunyikan siren, meletakkan papan tanda amaran bahaya di tempat-tempat yang sesuai, menutup jalan keluar/masuk ke tapak peletupan semasa kerja-kerja peletupan dan menempatkan pengawal keselamatan di kawasan-kawasan tertentu hendaklah diambil sebelum, semasa dan selepas, setiap kali peletupan dilaksanakan bagi menjamin keselamatan pekerja dan orang awam serta harta benda.

2.14. 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.

2.15. Mengemukakan cadangan rekabentuk peletupan melalui jurutera perunding dalam tempoh satu (1) minggu sebelum peletupan dilaksanakan kepada Inspektor Kuari Perak.

2.16. 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.

Fail: JMG.PRK. (LK) (K) : (KR) / 049 Jld.2 3

INDEPENDENT QUALIFIED PERSON'S REPORT

2.17. 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.

2.18. Hendaklah mematuhi semua arahan bertulis atau lisan yang dikeluarkan dari semasa ke semasa oleh Inspektor Kuari Perak.

2.19. Laporan bulanan pemantauan habuk, kelodak, gegaran dan ledakan udara hendaklah dikemukakan ke jabatan ini melalui jurutera perunding yang dilantik.

2.20. 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.

2.21. 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 dan memasang lampu pada papan tanda tersebut supaya dapat dilihat dengan jelas pada waktu malam.

2.22. Lori atau kenderaan yang membawa bahan batu keluar dari 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 Tempatan.

2.23. Melaksanakan program pemeliharaan dan pemuliharaan tanah kuari secara berterusan.

2.24. Tidak melaksanakan aktiviti pengkuarian / peletupan dalam jarak **sepuluh (10) meter** dari sempadan tanah kuari.

2.25. Melaksanakan sistem tetingkat *(benching)* pada muka kuari mengikut spesifikasi kejuruteraan yang baik dan sesuai bagi tujuan keselamatan.

2.26. Menyediakan '*washing bay*' pada laluan keluar / masuk ke kuari atau lokasi yang sesuai.

2.27. Letupan utama dan sekunder tidak boleh dilaksanakan serentak.

2.28. Mematuhi segala syarat/peraturan yang telah ditetapkan oleh lain-lain agensi kerajaan / perundangan yang terlibat.

Fail: JMG.PRK. (LK) (K) : (KR) / 049 Jld.2 4

INDEPENDENT QUALIFIED PERSON'S REPORT

2.29. Hendaklah mematuhi syarat-syarat daripada Jabatan keselamatan dan kesihatan Pekerjaan Perak seperti di Lampiran A.

3. 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.

(RUMAIZI BIN BAHARIN @ MD. DAUD, A.M.P.,P.P.T.)
Pengarah Tanah Dan Galian,
Perak Darul Ridzuan.

Tarikh: 28/8/2017

Fail: JMG.PRK. (LK) (K) : (KR) / 049 Jld.2 5

INDEPENDENT QUALIFIED PERSON'S REPORT

APPENDIX D – SUMMARY OF RESOURCES AND RESERVES

The following resources and reserves statements of the GLD Mine, HAM Mine are prepared in accordance with the requirements of "Appendix 7D Summary of Reserves and Resources" of the Catalist Rules of the Singapore Exchange.

Summary of Resources and Reserve of the GLD Mine, 31st December 2017^

Category	Mineral Type	Gross Attributable to No. PN 258388 and PN 258390		Net Attributable to Issuer		Change from previous Update (%)	Remarks
		Tonnes (millions)	Grade	Tonnes (millions)	Grade		
Reserve							
Proved	Limestone	N/A	N/A	N/A	N/A	N/A	
Probable	Limestone	4.0	98.2	4.0	98.2	+5.2	
Total		**4.0**	**98.2**	**4.0**	**98.2**		
Resource							
Measured	Limestone	2	98	2	98	N/A	
Indicated	Limestone	21	98	21	98	N/A	
Inferred	Limestone	17	98	17	98	-15	
Total		***40***	***98***	***40***	***98***		

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INDEPENDENT QUALIFIED PERSON'S REPORT

Summary of Resources and Reserve of the HAM Mine (1 and 2 combined), 31st December 2017^

Category	Mineral Type	Gross Attributable to No. H.S.(D) 217328, No. H.S.(D) 224329, No. H.S.(D) 224330, No. H.S.(D) 214644, No. H.S.(D) 199908, No. H.S.(D) 212118, PN 382703 No. H.S.(D) 178990 & No. H.S.(D) 222863		Net Attributable to Issuer		Change from previous Update (%)	Remarks
		Tonnes (millions)	Grade (%)	Tonnes (millions)	Grade (%)		
Reserve							
Proved	Limestone	2.2	96.1	2.2	96.1	N/A	
Probable	Limestone	19.6	96.1	19.6	96.1	N/A	
Total		***21.9***	***96.1***	***21.9***	***96.1***	N/A	
Resource							
Measured	Limestone	55	93	55	93	N/A	
Indicated	Limestone	150	93	150	93	N/A	
Inferred	Limestone	8	93	8	93	N/A	
Total		***210***	***93***	***210***	***96***		

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

^ This limestone resources and reserves statement of the GLD Mine and HAM Mine are compiled by Mr. Sergio Matteoli and is accurate as at 31 December, 2017. 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 E – 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 Resources" or "Resources"	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

INDEPENDENT QUALIFIED PERSON'S REPORT

	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	A comprehensive study of a range of options for the technical and economic viability

INDEPENDENT QUALIFIED PERSON'S REPORT

Study	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

INDEPENDENT QUALIFIED PERSON'S REPORT

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