

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 2 and half year results : Financial Year Ending 31 December 2015

The Directors are pleased to release the quarterly financial report for the quarter and six months ended 30th June 2015.

The contents of the financial report comprise of the following attached condensed financial statements, explanatory notes, and additional disclosures. These must be read in conjunction with the Group's financial statements for the year ended 31 December 2014:

- Schedule I : Condensed Consolidated Income Statement
- Schedule II : Condensed Consolidated Statement of Comprehensive Income
- Schedule III : Condensed Consolidated Statement of Financial Position
- Schedule IV : Condensed Consolidated Statement of Cash Flow
- Schedule V : Condensed Consolidated Statement of Changes in Equity
- Schedule VI : Selected Explanatory Notes
- Schedule VII : Additional Disclosures

This quarterly financial report has been prepared in accordance with the accounting standards on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group's financial statements for the previous year had been followed throughout this quarterly financial report.

By Order of the Board

Eric Toh Chee Seong (MAICSA 7016178)
Company Secretary
27 August 2015

Schedule I : Condensed Consolidated Income Statement

For the quarter and six months ended 30 June 2015

RM'000	Individual 2 nd Quarter			Cumulative 2 nd Quarter		
	30/6/2015	30/6/2014	% chg	30/6/2015	30/6/2014	% chg
Continuing Operations						
Revenue	8,841	23,475	(62.3)%	21,995	46,182	(52.4)%
Operating profit	1,708	7,214	(76.3)%	4,174	14,553	(71.3)%
Interest expense	(39)	(296)		(95)	(687)	
Interest income	157	113		377	227	
Administrative expenses	(1,685)	(1,856)		(3,566)	(3,382)	
Other income	231	423		452	423	
Profit before taxation (PBT)	372	5,598	(93.4)%	1,342	11,134	(87.9)%
Taxation	14	(1,432)		2	(2,797)	
Profit after taxation (PAT)	386	4,166	(90.7)%	1,344	8,337	(83.9)%
Attributable to :						
Equity holders of the Company	564	4,353	(87.0)%	1,634	8,716	(81.3)%
Non-controlling interests	(178)	(187)		(290)	(379)	
	386	4,166		1,344	8,337	
Basic earnings per share (sen) attributable to equity holders of the Company	0.4	3.2		1.1	6.4	
Diluted earnings per share (sen) attributable to equity holders of the Company	0.4	3.0		1.1	5.9	

nm – not meaningful

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2014.

Schedule II : Condensed Consolidated Statement of Comprehensive Income

For the quarter and six months ended 30 June 2015

RM'000	Individual 2 nd Quarter			Cumulative 2 nd Quarter		
	30/6/2015	30/6/2014	% chg	30/6/2015	30/6/2014	% chg
Group profit after tax	386	4,166	(90.7)%	1,344	8,337	(83.9)%
Other comprehensive income,						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
Total comprehensive income for the						
financial period	386	4,166	(90.7)%	1,344	8,337	(83.9)%
Total comprehensive income						
attributable to:						
Equity holders of the Company	564	4,353	(87.0)%	1,634	8,716	(81.3)%
Non-controlling interests	(178)	(187)	nm	(290)	(379)	nm
	386	4,166	(90.7)%	1,344	8,337	(83.9)%

nm – not meaningful

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2014.

Schedule III : Condensed Consolidated Statement of Financial Position

As at 30 June 2015

RM'000	30/06/2015	Audited 31/12/2014
Property, plant & equipment	31,288	30,674
Other financial assets	16	16
Goodwill on consolidation	20,883	20,883
Development expenditures	1,833	1,434
Deferred Tax Assets		9
Current assets		
Trade receivables	13,992	7,638
Inventories	638	741
Other receivables	8,907	14,857
Cash and cash equivalents	37,637	39,181
	61,174	62,417
Less : Current liabilities		
Trade payables	176	1,748
Other payables	4,206	2,162
Finance lease payables	1,527	2,791
Provision for taxation	1,846	1,848
	7,755	8,549
Net Current Assets	53,419	53,868
	107,439	106,884
Financed by:		
Share capital	94,441	56,665
Retained earnings	16,954	45,916
Other reserves	(4,167)	3,301
Non-controlling interests	(1,034)	(744)
Total Equity	106,194	105,138
Non-current liabilities		
Finance lease payable	152	644
Deferred tax liabilities	1,093	1,102
	1,245	1,746
Total equity & non-current liabilities	107,439	106,884
Net assets per share (sen) attributable to equity holders of the Company	45.4	74.7

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2014.

Schedule IV : Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2015

RM'000	Cumulative 2 nd quarter 30/06/2015	30/06/2014
Operating activities		
Profit before taxation		
- Continuing	1,342	11,134
Add non-cash : Depreciation & amortisation	3,744	9,873
Gain on :		
- disposal of property, plant & equipment		-
- disposal of subsidiary		(12)
Changes in working capital	(316)	(15,141)
Tax paid	-	(1,739)
Net cash flows from operating activities	4,770	4,115
Investing activities		
Interest income received	377	227
Development expenditure	(400)	(512)
Purchase of property, plant and equipment	(4,358)	(15)
Proceeds from disposal of investment		3
Proceeds from disposal of property, plant and equipment	-	-
Net cash flows from investing activities	(4,381)	(297)
Financing activities		
Interest expenses	(95)	(687)
Repayment of finance lease	(1,757)	(10,182)
Repayment of short term facilities	-	-
Issuance of shares	-	-
Dividend paid	-	(1,417)
Proceeds from finance lease	-	-
Repayment to director	(81)	(281)
Net cash flows from financing activities	(1,933)	(12,567)
Net change in cash & cash equivalents	(1,544)	(8,749)
Cash & cash equivalents at beginning of year	39,181	32,779
Cash & cash equivalents at end of financial period	37,637	24,030
Comprising of :		
Cash and bank balances	32,454	19,588
Fixed deposits with financial institutions	5,183	4,442

Note :
 () denotes cash outflow

Schedule V : Condensed Consolidated Statement of Changes in Equity
 For the six months ended 30 June 2015

<-----Attributable to equity holders of the Company----->

RM'000	Share Capital	Share premium & Other reserves	Warrant Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
At 31 December 2014	56,665	2,294	1,007	45,916	105,882	(744)	105,138
Total comprehensive income	-	-	-	1,634	1,634	(290)	1,344
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	37,776	(7,180)	-	(30,596)	-	-	-
Dividend declared	-	-	-	-	-	-	-
Share issuance expense written off against share premium	-	(288)	-	-	(288)	-	(288)
Total transactions with owners	37,776	(7,468)	-	(30,596)	(288)	-	(288)
At 30 June 2015	94,441	(5,174)*	1,007	16,954	107,228	(1,034)	106,194
At 1 January 2014	56,665	2,074	1,007	33,223	92,969	132	93,101
Total comprehensive income	-	-	-	8,716	8,716	(379)	8,337
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	(1,417)	(1,417)	-	(1,417)
Dividend declared	-	-	-	-	-	-	-
Others	-	220	-	-	220	(220)	-
Total transactions with owners	-	220	-	(1,417)	(1,197)	(220)	(1,417)
At 30 June 2014	56,665	2,294	1,007	40,522	100,488	(467)	100,021

* equity transaction reserve

Schedule VI : Selected Explanatory Notes Pursuant to FRS 134

1. Accounting Policies and method of computation
 The quarterly financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia.

 The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2014.
2. Auditors' report
 The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.
3. Comment on seasonality or cyclicity of operation
 The Group's performance is normally not affected by seasonal or cyclical events on a year to year basis. However, on a quarter to quarter basis, the proceeds from chartering land-based transportation assets to the National Service("NS") program will vary according to the schedule determined by the National Service program. For financial year ending 31 December 2015, the NS program has been deferred, and as such the National Service program only requires a bare minimum of transportation assets operating.
4. Unusual items due to their nature, size or incidence
 There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter.
5. Significant estimates and changes in estimates
 There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.
6. Issuance or repayments of debt/equity securities

 On 17 June 2015, the Company announced that the proposed Bonus Issue has been completed with the listing of 94,440,883 Bonus Shares and 37,765,500 additional Outstanding Warrants issued pursuant to the Bonus Issue on the Main Market of Bursa Securities.
7. Dividends paid

 No dividends have been paid in the current financial quarter.
8. Segmental results
 For management purposes, the Group's operating businesses are organised according to services, namely chartering of land-based transportation assets and specialty vehicles, small hydropower and others. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements where applicable, are determined on a commercial basis. The results by segments for the quarter are as follows:

<u>Revenue</u>	2 nd Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	8,841	23,475
Small hydropower	-	-
Others	-	-
	8,841	23,475

Schedule VI : Selected Explanatory Notes Pursuant to FRS 134 (cont'd)

<u>Operating profit/(loss)</u>	2 nd Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	2,074	7,597
Small hydropower	(366)	(383)
Others	-	-
	1,708	7,214

9. Valuation of property, plant and equipment
 There were no changes in the valuation on property, plant and equipment since the last annual financial statements.
10. Subsequent events
 There were no material events subsequent to the end of the quarter that has not been reflected in the current financial quarter.
11. Changes in the composition of the Group
 There were no changes in the composition of the Group during the current financial quarter.
12. Contingent liabilities
 There were no contingent liabilities of a material nature since the last annual balance sheet date.
13. Contingent assets
 There were no contingent assets of a material nature since the last annual balance sheet date.
14. Capital commitments
 A total of RM3,366,000 in capital commitments, comprising of the total overhaul & refurbishment (capital expenditure) of 39 units of 44-seater buses, at the end of the current quarter is reflected in other payables.
15. Significant related party transactions
 The following are significant related party transactions:-

RM'000	Cumulative 2 nd Quarter	
	2015	2014
Charter of vehicles	-	2,520

The above transactions had been entered into in the ordinary course of business on normal commercial terms. These transactions are within the ambit of the mandate renewed by the shareholders of the Company on 28 June 2013.

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Current Quarter vs Corresponding Quarter last year

Group revenue for Q2 was substantially lower than against that of last year, down 62% to RM8.84 million, as revenue was affected by the deferment of the National Service Program for year 2015. This will significantly affect the Group's contract revenues in FY2015, especially in view of the Group receiving a 'Letter of Award and Acceptance' from the Ministry of Defence on 26th December 2014, with the value of RM164.95 million for the provision of transportation (bus) service to the National Service Program. The tenure of this Service-Contract is from 26 Dec 2014 to 25 Dec 2017.

Group operating profit for Q2 was also affected by lower contract revenue and the costs incurred due to the under utilisation of the Group's fleet of vehicles. Operating profit was down 76% against corresponding quarter last year, to RM1,71 million. Group profit attributable to shareholders for Q2 was down 87% to RM0.56 million on the back of lower contract revenue, combined with a 'one-off' expenses relating to the bonus issue or ordinary shares and warrants in Q2.

Half year vs Corresponding Period last year

Group revenue decreased by 52% to RM22.0mil, and operating profit dropped 71% to RM4.2mil, for the first half of 2015. This was directly attributed to the deferment of the National Service Program for year 2015, and the subsequent costs incurred due to the under utilisation of the Group's fleet of vehicles.

2. Comment on material change in profit before taxation vs preceding quarter

Group PBT for the quarter amounted to approximately RM0.37 million which was 62% lower than the preceding quarter (RM0.97 million), due lower contract revenues as a result of the deferment of the National Service Program in year 2015.

3. Prospects for the current financial year

The management's sustained effort and investment, to secure additional contracts in chartering land-based transportation assets and specialty vehicles, and to improve the overall operating efficiency continues to be the main strategy in the transportation division.

The shuttle bus service within both the Kuantan and Gombak campuses for the International Islamic University of Malaysia, chartering of city buses for a public transportation service in Manjung (Perak), and ad-hoc charters will continue in FY2015.

The deferment of the National Service Program for year 2015 will continue to substantially reduce Group revenue from the Service-Contract awarded on 26th December 2014. During FY2015 the National Service program will only require the bare minimum of transportation assets to meet their requirements. Throughout FY2015, we expect Group revenue and profit attributable to shareholders to be substantially lower when compared with the corresponding period in FY2014.

As for the remaining tenure of the ongoing Service-Contract, year 2016 and 2017, the Government has highlighted that the National Service Program will commence again in year 2016 with an increased 'trainee capacity' when compared to years prior to 2015. As such we expect incomes from this service-contract to underpin Gunung's prospective earnings in year 2016 and 2017.

In the longer term, we are excited by the successful implementation of the mini-hydro Projects in Perak, which will contribute to Gunung's long term revenue and earnings, and enhance Gunung's growth potential. In addition, the long term stable income stream derived from the mini-hydro Projects will reduce Gunung's dependency incomes solely from chartering land-based transportation assets & specialty vehicles.

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

4. Tax expense
 The details of the tax expense are as follows:-

RM'000	Current Quarter	Cumulative 2 nd Quarter
Current	14	2
Deferred tax	-	-
	<u>14</u>	<u>2</u>

5. Status of corporate proposal

On 24 February 2015, the Company announced the following proposals on Bursa:-

- (i) proposed bonus issue of up to 111,225,550 new ordinary shares of RM0.40 each in GCB ("Bonus Share(s)") to be credited as fully paid-up, on the basis of two (2) Bonus Shares for every three (3) existing ordinary shares of RM0.40 each in GCB ("GCB Share(s)") held on an entitlement date to be determined later ("Proposed Bonus Issue");
- (ii) proposed establishment of an employees' share option scheme ("ESOS" or the "Scheme") involving up to ten percent (10%) of the issued and paid-up share capital of GCB (excluding treasury shares, if any) at any one time to eligible directors and employees of GCB and its subsidiaries ("Proposed ESOS");
- (iii) proposed increase in the authorised share capital of GCB from RM100,000,000 comprising 250,000,000 GCB Shares to RM300,000,000 comprising 750,000,000 GCB Shares ("Proposed Increase in the Authorised Share Capital"); and
- (iv) proposed amendment to the Company's Memorandum and Articles of Association ("M&A") to facilitate the implementation of the Proposed Increase in the Authorised Share Capital ("Proposed M&A Amendment")

On 17 June 2015, the Company announced that the Bonus Issue has been completed with the listing of 94,440,883 Bonus Shares and 37,765,500 additional Outstanding Warrants issued pursuant to the Bonus Issue on the Main Market of Bursa Securities. Furthermore, the Company announced on 5 June 2015 that all the necessary confirmations have been submitted to Bursa Securities for the implementation of the ESOS. The effective date of the ESOS is 5 June 2015.

6. Group borrowings and debt securities

The details of the Group's borrowings as at 30 June 2015 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	<u>1,527</u>	<u>151</u>

7. Pending material litigation

There was no pending litigation of a material nature since the last balance sheet date.

8. Proposed Dividend

No dividend has been proposed by the Board of Directors in the current financial quarter.

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

9. Basis of calculation of earnings per share (EPS)

- (a) The basic EPS for the current quarter was computed by dividing the Group profit attributable to shareholders of the Company by the weighted average number of ordinary share in issue (net of treasury shares).

	Current Quarter RM'000	Current YTD RM'000
Group attributable profit to shareholders of the Company	564	1,634
Weighted average issued capital net of treasury shares	145,284	145,284
Earnings per share (sen)	0.4	1.1

- (b) The diluted EPS for the current quarter was computed by dividing the Group profit attributable to shareholders, adjusted for the dilutive effects of the conversion of all the outstanding warrants of the Company into ordinary shares.

	Current Quarter RM'000	Current YTD RM'000
Group attributable profit to shareholders of the Company	564	1,634
Weighted average issued capital net of treasury shares	145,284	145,284
Adjustment for warrant conversion into ordinary shares	8,210	8,210
Adjusted weighted average issued capital net of treasury shares	153,494	153,494
Earnings per share (sen)	0.4	1.1

10. Disclosure of realised and unrealised portions of the revenue reserve

	2 nd Quarter	
	2015 RM'000	2014 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	18,047	41,352
Unrealised*	(1,093)	(829)
	16,954	40,523

* In respect of deferred tax recognized and fair value gain on financial assets in the statements of comprehensive income

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

11. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging/(crediting) the following items:

	Current Quarter RM'000	Current YTD RM'000
(a) Other income (interest income)	157	377
(b) Depreciation and amortization,	1,969	3,744
(c) Provision for doubtful debts	N/A	N/A
(d) Bad debts written off	N/A	N/A
(e) Provision for inventories	N/A	N/A
(f) Inventories written off	N/A	N/A
(g) (Gain)/Loss on disposal of quoted/unquoted investments	N/A	N/A
(h) (Gain)/Loss on disposal of assets	N/A	N/A
(i) Impairment of financial assets	N/A	N/A
(j) Foreign exchange (Gain)/loss	N/A	N/A
(k) Loss on derivatives	N/A	N/A
(l) Unusual items	N/A	N/A