

**For immediate release**

## **QUARTERLY FINANCIAL REPORT**

**Quarter 3: Financial Year Ending 31 December 2014**

The Directors are pleased to release the quarterly financial report for the quarter and nine months ended 30<sup>th</sup> September 2014.

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 2013:

- 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 (LS 0005656)  
Company Secretary  
17 November 2014

**Schedule I : Condensed Consolidated Income Statement**

For the quarter and nine months ended 30 September 2014

RM'000	Individual 3rd Quarter			Cumulative 3rd Quarter		
	30/9/2014	30/9/2013	% chg	30/9/2014	30/9/2013	% chg
<b>Continuing Operations</b>						
Revenue	17,315	17,080	1.4%	63,497	64,196	-1.1%
Operating profit	5,905	4,159	42.0%	20,458	20,230	1.2%
Interest expense	(199)	(648)		(886)	(2,079)	
Interest income	120	37		347	113	
Administrative expenses	(2,299)	(1,515)		(5,681)	(3,579)	
Other income	222	884		645	884	
Profit before taxation (PBT)	3,749	2,917	28.6%	14,883	15,569	-4.4%
Taxation	(1,113)	(911)		(3,910)	(3,927)	
Profit after taxation (PAT)	2,636	2,006	31.4%	10,973	11,642	-5.8%
Attributable to :						
Equity holders of the Company	2,788	1,801	54.8%	11,504	11,455	0.5%
Non-controlling interests	(152)	205	nm	(531)	187	nm
	2,636	2,006		10,973	11,642	
Basic earnings per share (sen) attributable to equity holders of the Company	2.0	1.6		8.2	9.9	
Diluted earnings per share (sen) attributable to equity holders of the Company	1.9	1.4		7.5	8.9	

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 2013.*

**Schedule II : Condensed Consolidated Statement of Comprehensive Income**

For the quarter and nine months ended 30 September 2014

RM'000	Individual 3 <sup>rd</sup> Quarter			Cumulative 3 <sup>rd</sup> Quarter		
	30/9/2014	30/9/2013	% chg	30/9/2014	30/9/2013	% chg
Group profit after tax	2,636	2,006	31.4%	10,973	11,642	-5.8%
<b>Other comprehensive income,</b>						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
<b>Total comprehensive income for the year</b>	<b>2,636</b>	<b>2,006</b>	<b>31.4%</b>	<b>10,973</b>	<b>11,642</b>	<b>-5.8%</b>
Total comprehensive income attributable to:						
Equity holders of the Company	2,788	1,801	54.8%	11,504	11,455	0.5%
Non-controlling interests	(152)	205	nm	(531)	187	nm
	2,636	2,006		10,973	11,642	

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 2013.*

**Schedule III : Condensed Consolidated Statement of Financial Position**

As at 30 September 2014

RM'000	30/09/2014	Audited 31/12/2013
Property, plant & equipment	44,064	61,069
Other financial assets	13	16
Goodwill on consolidation	21,541	21,541
Development expenditures	1,298	786
Current assets		
Trade receivables	12,957	2,058
Inventories	758	711
Other receivables	15,996	8,607
Fixed deposits with financial institutions	4,878	4,973
Assets held for sale	2,832	-
Tax recoverable	2,586	1
Cash and cash equivalents	18,883	27,806
	58,890	44,156
Less : Current liabilities		
Trade payables	4,389	167
Other payables	6,554	9,396
Finance lease payables	5,805	18,868
Provision for taxation	4,414	1,528
	21,162	29,959
Net assets/(liabilities)	37,728	14,197
	104,644	97,609
Financed by:		
Share capital	56,665	56,665
Retained earnings	43,310	33,223
Other reserves	3,301	3,081
Non-controlling interests	(619)	132
Total Equity	102,657	93,101
Non-current liabilities		
Finance lease payable	1,089	3,435
Deferred tax liabilities	898	1,073
	1,987	4,508
Total equity & non-current liabilities	104,644	97,609
Net assets per share (sen) attributable to equity holders of the Company	72.5	65.6

*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 2013.*

**Schedule IV : Condensed Consolidated Statement of Cash Flow**

For the nine months ended 30 September 2014

RM'000	Cumulative 3 <sup>rd</sup> quarter	
	30/09/2014	30/09/2013
<b>Operating activities</b>		
Profit before taxation		
- Continuing	14,833	15,569
Add non-cash : Depreciation & amortisation	14,400	14,806
Gain on :		
- disposal of property, plant & equipment	(208)	-
- disposal of subsidiary	(12)	-
Changes in working capital	(16,004)	(4,731)
Tax paid	(3,782)	(3,089)
<b>Net cash flows from operating activities</b>	<b>9,227</b>	<b>22,555</b>
<b>Investing activities</b>		
Interest income	347	113
Minority interest	(512)	-
Purchase of property, plant and equipment	(20)	(21)
Proceeds from disposal of investment	3	-
Proceeds from disposal of property, plant and equipment	-	-
<b>Net cash flows from investing activities</b>	<b>(182)</b>	<b>92</b>
<b>Financing activities</b>		
Interest expenses	(886)	(2,079)
Repayment of finance lease	(15,395)	(14,503)
Repayment of short/long term facilities	-	(1,695)
Issuance of shares	-	6,532
Dividend paid	(1,417)	(1,285)
Proceeds from finance lease	-	-
Repayment to director	(365)	-
<b>Net cash flows from financing activities</b>	<b>(18,063)</b>	<b>(13,030)</b>
Net change in cash & cash equivalents	(9,018)	9,617
Cash & cash equivalents at beginning of year	32,779	17,910
<b>Cash &amp; cash equivalents at end of year</b>	<b>23,761</b>	<b>27,527</b>
<b>Comprising of :</b>		
Cash and bank balances	18,883	23,086
Fixed deposits with financial institutions	4,878	4,441

Note :  
 ( ) denotes cash outflow

**Schedule V : Condensed Consolidated Statement of Changes in Equity**  
For the nine months ended 30 September 2014

<-----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
<b>At 31 December 2013</b>	56,665	2,074	1,007	33,223	92,969	132	93,101
<b>Total comprehensive income</b>	-	-	-	11,504	11,504	(531)	10,973
<b>Transactions with owners:</b>							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	(1,417)	(1,417)	-	-
Increased equity in subsidiary*	-	220	-	-	220	(220)	-
<b>Total transactions with owners</b>	-	220	-	(1,417)	(1,197)	(220)	(1,417)
<b>At 30 September 2014</b>	56,665	2,294	1,007	43,310	103,276	(619)	102,657
<b>At 1 January 2013</b>	45,017	(3,339)	1,007	20,646	63,331	267	63,598
<b>Total comprehensive income</b>	-	-	-	11,455	11,455	187	11,642
<b>Transactions with owners:</b>							
Conversion of warrant to shares	6,532	-	-	-	6,532	-	6,532
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	(1,285)	(1,285)	-	(1,285)
Others	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	6,532	-	-	(1,285)	5,247	-	5,247
<b>At 30 September 2013</b>	51,549	(3,339)	1,007	30,816	80,033	454	80,487

\* 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 2013.
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 program will vary according to the schedule determined by the National Service program. For the financial year ending 31 December 2014 the schedule provided is as follows ; three (3) full months for the first and second financial quarters, and one and a half (1 ½) months for the third and fourth quarter. This is the same schedule as financial year ended 31 December 2013.
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  
  
 There have been no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current financial quarter.
7. Dividends paid  
  
 A first interim single-tier dividend of 1.0 sen per ordinary share of RM0.40 for the financial year ending 31 December 2014, totaling RM1,416,613 was paid on 12 June 2014.
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>	3 <sup>rd</sup> Quarter	
	2014 RM'000	2013 RM'000
Chartering of transportation assets	17,315	17,080
Small hydropower	-	-
Others	-	-
	<b>17,315</b>	<b>17,080</b>

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

<u>Operating profit/(loss)</u>	3 <sup>rd</sup> Quarter	
	2014 RM'000	2013 RM'000
Chartering of transportation assets	6,216	4,161
Small hydropower	(311)	(2)
Others	-	-
	<b>5,905</b>	<b>4,159</b>

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 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  
 There are no outstanding capital commitments at the end of the current quarter.
15. Significant related party transactions  
 The following are significant related party transactions:-

RM'000	Cumulative 3 <sup>rd</sup> Quarter	
	2014	2013
Charter of vehicles	3,064	3,780

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 Q3 was slightly higher against that of the corresponding quarter last year, by 1.4%. This slight increase in revenue was due to additional contributions from the provision of a shuttle service for the International Islamic University Malaysia in both the Kuantan and Gombak campuses, and additional ad hoc short term charters.

Group operating profit jumped 42% to around RM5.91mil when compared to the corresponding quarter last year. This was mainly due to a reduction in operating costs particularly repair and maintenance costs, as well as redeploying our assets during periods of no operations under contract with the Ministry of Defence.

Profit after tax attributable to shareholders was also significantly higher, up by approximately 54% to RM2.8mil from the corresponding quarter last year for similar reasons as mentioned above, coupled with lower interest costs.

#### Cumulative 3<sup>rd</sup> quarter vs Corresponding Period last year

Group revenue slightly decreased by 1.2% to RM63.5mil, for the three cumulative quarters. An increase in ad hoc and short term charters throughout the period, was offset by a reduction in revenue for the 3<sup>rd</sup> quarter from the chartering of a fleet of 252 vehicles. This contract was completed on 30 June 2014.

Group operating profit was up 1.4% to RM20.5 mil when compared to the corresponding period last year, reflecting better gross margins from the ad hoc and short terms charters.

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

Group PBT for the quarter amounted to approximately RM3.8 million which was 32% lower than the preceding quarter. This material change in PBT was due to only one and a half months (1.5) of operation for the contract with the Ministry of Defence for this quarter under review and three (3) months of operation for the contract in the preceding quarter.

### 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 transportation.

The tenure of contracts, for chartering out land-based transportation assets are generally medium term in nature (2-5 years). This will continue to hedge against any short term adverse economic cycles that the Malaysian economy may face.

Barring any major negative external forces, we expect to broaden our earnings base with new short term chartering contracts in financial year 2014. On 1 June, 2014 we commenced a shuttle bus service for the International Islamic University of Malaysia. Both contracts run between 2-5 years and this should underpin earnings.

The earnings contributions from the Ministry of Defence chartering contract (under the National Service program, chartering of city buses for a public transportation service in Manjung (Perak), chartering of mini mobile clinics, will continue in financial year 2014.

The goal of Gunung's dependency on incomes solely from chartering of land-based passenger transportation assets and specialty vehicles, and to secure a longer term stable income stream, via Gunung's has been realised. Gunung's acquisition of eighty five percent (85%) stake in Pusaka Hijau Sdn Bhd in the 4<sup>th</sup> Quarter 2013, which in turn owns a sixty percent (60%) stake in Perak Hydro Renewable Energy Corporation Sdn Bhd ("PHREC") has improved Gunungs' longer term prospects beyond financial year 2014.

**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 3 <sup>rd</sup> Quarter
Current	1,043	4,083
Deferred tax	70	(173)
	1,113	3,910

5. Status of corporate proposal

Gunung Capital Berhad (“**GUNUNG**”) had on 14 July 2014 entered into a Share Sale Agreement (“**SSA**”) to dispose of 1,160,000 ordinary shares in EV Bus Sdn Bhd (“**EVSB**”), representing 100% of the total issued and paid-up share capital in EVSB at a price of RM1,160,000 or RM1.00 per share to Best Venture Capital Sdn Bhd (“**Purchaser**”). The Purchaser will also assume, and repay specific liabilities of EVSB due to Gunung Resources Sdn Bhd (“**GRSB**”), a wholly owned subsidiary of GUNUNG, amounting to RM7,890,000. The cash proceeds from this transaction total RM9,050,000. This proposed disposal is expected to be completed in the 4<sup>th</sup> quarter of 2014 upon the fulfillment of the final condition precedent (receiving confirmation by Lembaga Hasil Dalam Negeri in respect of Real Property gains Tax).

Group borrowings and debt securities

The details of the Group’s borrowings as at 30 September 2014 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	5,805	1,089

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

8. Proposed Dividend  
 No dividends have been proposed by the Board of Directors for the current financial quarter under review.

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	2,788	11,504
Weighted average issued capital net of treasury shares	141,536	141,536
Earnings per share (sen)	2.0	8.2

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

- (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	2,788	11,504
Weighted average issued capital net of treasury shares	141,536	141,536
Adjustment for warrant conversion into ordinary shares	11,713	11,713
Adjusted weighted average issued capital net of treasury shares	153,249	153,249
Earnings per share (sen)	1.9	7.5

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

	3 <sup>rd</sup> Quarter 2014 RM'000	2013 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	44,208	34,296
Unrealised*	(898)	(1,073)
	43,310	33,223

\* 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)	120	347
(b) Depreciation and amortization,	4,527	14,400
(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
(h) (Gain)/Loss on disposal of quoted/unquoted investments	N/A	12
(h) (Gain)/Loss on disposal of assets	208	208
(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