

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 1 : Financial Year Ending 31 December 2015

The Directors are pleased to release the quarterly financial report for the three months ended 31st March 2015 being the first quarter for the financial year 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 31st 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 (LS 0005656)
Company Secretary
29 May 2015

Schedule I : Condensed Consolidated Income Statement

For the three months ended 31 March 2015

RM'000	1 st Quarter		% chg
	31/03/2015	31/03/2014	
Revenue	13,154	22,707	(42.1%)
Operating profit	2,466	7,339	(66.4%)
Interest expense	(56)	(391)	
Interest income	220	114	
Administrative expenses	(1,881)	(1,526)	
Other income	221	-	
Profit before taxation (PBT)	970	5,536	(82.5%)
Taxation	(12)	(1,365)	
Profit after taxation (PAT)	958	4,171	(77.0%)
Attributable to :			
Equity holders of the Company	1,070	4,363	(75.5%)
Non-controlling interests	(112)	(192)	Nm
	958	4,171	
Basic earnings per share (sen) attributable to equity holders of the Company	0.8	3.4	
Diluted earnings per share (sen) attributable to equity holders of the Company	0.7	3.1	

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 three months ended 31 March 2015

RM'000	1 st Quarter		% <i>chg</i>
	31/03/2014	31/03/2013	
Profit after taxation	958	4,171	(77.0%)
Other comprehensive income, (net of tax)			
Foreign currency translation			
Realisation of reserves	-	-	
Total comprehensive income for the quarter	958	4,171	(77.0%)
Total comprehensive income attributable to:			
Equity holders of the Company	1,070	4,363	(75.5%)
Non-controlling interests	(112)	(192)	<i>nm</i>
	958	4,171	

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 31 March 2015

RM'000	31/03/2015	Audited 31/12/2014
Property, plant & equipment	33,223	30,674
Other financial assets	16	16
Goodwill on consolidation	20,883	20,883
Development expenditures	1,526	1,434
Deferred Tax Assets		9
Current assets		
Trade receivables	18,306	7,638
Inventories	696	741
Other receivables	11,182	14,857
Cash and cash equivalents	31,623	39,181
	61,807	62,417
Less : Current liabilities		
Trade payables	1,498	1,748
Other payables	4,781	2,162
Finance lease payables	2,038	2,791
Provision for taxation	1,860	1,848
	10,177	8,549
Net Current Assets	51,630	53,868
	107,278	106,884
Financed by:		
Share capital	56,665	56,665
Retained earnings	46,987	45,916
Other reserves	3,180	3,301
Non-controlling interests	(856)	(744)
Total Equity	105,976	105,138
Non-current liabilities		
Finance lease payable	209	644
Deferred tax liabilities	1,093	1,102
	1,302	1,746
Total equity & non-current liabilities	107,278	106,884
Net assets per share (sen) attributable to equity holders of the Company	75.4	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 year three months ended 31 March 2015

RM'000	1 st Quarter	
	31/03/2015	31/03/2014
Operating activities		
Profit before taxation		
- Continuing	970	5,536
Add non-cash : Depreciation & amortisation	1,775	4,936
Gain on :		
- disposal of property, plant & equipment		
- impairment of financial assets		
Changes in working capital	(4,780)	(13,485)
Tax paid	-	(886)
Net cash flows from operating activities	(2,035)	(3,899)
Investing activities		
Interest income received	186	113
Development expenditure	(93)	(333)
Purchase of property, plant and equipment	(4,324)	(2)
Investment in an subsidiary company		
Proceeds from disposal of property, plant and equipment	-	-
Net cash flows from investing activities	(4,231)	(222)
Financing activities		
Interest expenses	(56)	(391)
Repayment of finance lease	(1,188)	(5,066)
Repayment of short term facilities	-	-
Issuance of shares	-	-
Dividend paid	-	-
Proceeds from finance lease	-	-
Repayment to director	(48)	(155)
Net cash flows from financing activities	(1,292)	(5,612)
Net change in cash & cash equivalents	(7,558)	(9,733)
Cash & cash equivalents at beginning of period	39,181	32,779
Cash & cash equivalents at end of period	31,623	23,046
Comprising of :		
Cash and bank balances	26,440	18,304
Fixed deposits with financial institutions	5,183	4,742

Note :
 () denotes cash outflow

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 V : Condensed Consolidated Statement of Changes in Equity
 For the three months ended 31 March 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	-	-	-	1,070	1,070	(112)	958
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	-
Share issuance expense written off against share premium	-	(121)	-	-	(121)	-	(121)
Total transactions with owners	-	(121)	-	-	(121)	-	(121)
At 31 March 2015	56,665	2,173	1,007	46,986	106,831	(856)	105,975
At 1 January 2014	56,665	2,074	1,007	33,223	92,969	132	93,101
Total comprehensive income	-	-	-	4,363	4,363	(192)	4,171
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	-
Increase in equity in subsidiary*	-	220	-	-	220	(220)	-
Total transactions with owners	-	220	-	-	220	(220)	-
At 31 March 2014	56,665	2,294	1,007	37,586	97,552	(280)	97,272

* 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 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. For financial year ending 31 December 2015, the National Service 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

There have been no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current financial quarter.

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>	1 st Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	13,154	22,707
Small hydropower	-	-
Others	-	-
	13,154	22,707

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

<u>Operating profit/(loss)</u>	1 st Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	2,694	7,733
Small hydropower	(228)	(394)
Others	-	-
	2,466	7,339

9. Subsequent events

There were no material events subsequent to the end of the quarter that has not been reflected in the current financial quarter.

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

11. Contingent liabilities

There were no contingent liabilities of a material nature since the last annual balance sheet date.

12. Contingent assets

There were no contingent assets of a material nature since the last annual balance sheet date.

13. Capital commitments

A total of RM4,305,000 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.

14. Significant related party transactions

The following are significant related party transactions:-

RM'000	1 st Quarter	
	2015	2014
Charter of vehicles	-	1,260

The above transaction in year 2014 had been entered into in the ordinary course of business on normal commercial terms. These transactions are within the ambit of the mandate approved 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 Q1 was substantially lower than against that of last year, down 42.1% to RM13.15 million, as revenue was affected by the Governments' announcement to defer 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 December 2014 to 25 December 2017.

Group operating profit for Q1 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 66.4% against corresponding quarter last year, to RM2.47 million.

Group profit attributable to shareholders for Q1 was down 75.5% to RM1.07 million on the back of lower contract revenue, combined with a 'one-off' compensation expense incurred as all contract drivers were terminated in Q1.

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

Group PBT for the quarter amounted to approximately RM0.97 million which was 73.5% lower than the preceding quarter, 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 substantially negatively affect 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. 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
Current	12
Deferred tax	-
	<u>12</u>

5. Status of corporate proposals

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")

The Company has served the notice to shareholders for the EGM on 29 May 2015 for the purpose of considering, and if thought fit, passing the proposals.

6. Group borrowings and debt securities

The details of the Group's borrowings as at 31 March 2015 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	1,860	209

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 in 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
Group attributable profit to shareholders of the Company	1,070
Weighted average issued capital net of treasury shares	141,661
Earnings per share (sen)	0.8

- (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
Group attributable profit to shareholders of the Company	1,070
Weighted average issued capital net of treasury shares	141,661
Adjustment for warrant conversion into ordinary shares	9,539
Adjusted weighted average issued capital net of treasury shares	151,200
Earnings per share (sen)	0.7

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

	1 st Quarter	
	2015 RM'000	2014 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	48,080	38,476
Unrealised*	(1,093)	(890)
	46,987	37,586

* 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:

	<u>Current Quarter RM'000</u>
(a) Other income	441
(b) Depreciation and amortisation	1,775
(c) Provision for doubtful debts	N/A
(d) Bad debts written off	N/A
(e) Provision for inventories	N/A
(f) Inventories written off	N/A
(g) (Gain)/Loss on disposal of quoted or unquoted investments	N/A
(h) (Gain)/Loss on disposal of assets	N/A
(i) Impairment of financial assets	N/A
(j) Foreign exchange (Gain)/loss	N/A
(k) Loss on derivatives	N/A
(l) Unusual items	N/A