

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 3: Financial Year Ending 31 December 2015

The Directors are pleased to release the quarterly financial report for the quarter and nine months ended 30th September 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
9 November 2015

Schedule I : Condensed Consolidated Income Statement

For the quarter and nine months ended 30 September 2015

RM'000	Individual 3rd Quarter			Cumulative 3rd Quarter		
	30/9/2015	30/9/2014	% chg	30/9/2015	30/9/2014	% chg
Continuing Operations						
Revenue	6,678	17,315	-61.4%	28,673	63,497	-54.8%
Operating profit	(588)	5,905	-110%	3,586	20,458	-82.5%
Interest expense	(22)	(199)		(117)	(886)	
Interest income	160	120		537	347	
Administrative expenses	(2,258)	(2,299)		(5,824)	(5,681)	
Other income	713	222		1,165	645	
Profit before taxation (PBT)	(1,995)	3,749	-153.0%	(653)	14,883	-104.4%
Taxation	(23)	(1,113)		(21)	(3,910)	
Profit after taxation (PAT)	(2,018)	2,636	-177.0%	(674)	10,973	-106.1%
Attributable to :						
Equity holders of the Company	(1,878)	2,788	-167.4%	(244)	11,504	-102.1%
Non-controlling interests	(140)	(152)		(430)	(531)	nm
	(2,018)	2,636		(674)	10,973	
Basic earnings per share (sen) attributable to equity holders of the Company	(1.1)	2.0		(0.1)	8.2	
Diluted earnings per share (sen) attributable to equity holders of the Company	(1.1)	1.9		(0.1)	7.5	

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 nine months ended 30 September 2015

RM'000	Individual 3 rd Quarter			Cumulative 3 rd Quarter		
	30/9/2015	30/9/2014	% chg	30/9/2015	30/9/2014	% chg
Group profit after tax	(2,018)	2,636	-177.0%	(674)	10,973	-106.1%
Other comprehensive income,						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
Total comprehensive income for the						
year	(2,018)	2,636	-177.0%	(674)	10,973	-106.1%
Total comprehensive income						
attributable to:						
Equity holders of the Company	(1,878)	2,788	-167.4%	(244)	11,504	-102.1%
Non-controlling interests	(140)	(152)	nm	(430)	(531)	nm
	(2,018)	2,636		(674)	10,973	

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 September 2015

RM'000	30/09/2015	Audited 31/12/2014
Property, plant & equipment	31,248	30,674
Other financial assets	16	16
Goodwill on consolidation	20,883	20,883
Development expenditures	2,208	1,434
Deferred tax assets		9
Current assets		
Trade receivables	10,160	7,638
Inventories	614	741
Other receivables	8,753	14,857
Cash and cash equivalents	36,936	39,181
	56,463	62,417
Less : Current liabilities		
Trade payables	368	1,748
Other payables	4,624	2,162
Finance lease payables	372	2,791
Provision for taxation	92	1,848
	5,456	8,549
Net assets/(liabilities)	51,007	53,868
	105,362	106,884
Financed by:		
Share capital	94,441	56,665
Retained earnings	15,077	45,916
Other reserves	(4,168)	3,301
Non-controlling interests	(1,174)	(744)
Total Equity	104,176	105,138
Non-current liabilities		
Finance lease payable	93	644
Deferred tax liabilities	1,093	1,102
	1,186	1,746
Total equity & non-current liabilities	105,362	106,884
Net assets per share (sen) attributable to equity holders of the Company	44.6	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 nine months ended 30 September 2015

RM'000	Cumulative 3 rd quarter	
	30/09/2015	30/09/2014
Operating activities		
Profit before taxation		
- Continuing	(653)	14,833
Add non-cash : Depreciation & amortisation	5,738	14,400
Gain on :		
- disposal of property, plant & equipment		(208)
- disposal of subsidiary		(12)
Changes in working capital	4,185	(16,004)
Tax paid	(1,777)	(3,782)
Net cash flows from operating activities	7,493	9,227
Investing activities		
Interest income received	537	347
Development expenditure	(774)	(512)
Purchase of property, plant and equipment	(6,310)	(20)
Proceeds from disposal of investment	-	3
Proceeds from disposal of property, plant and equipment	-	-
Net cash flows from investing activities	(6,547)	(182)
Financing activities		
Interest expenses	(117)	(886)
Repayment of finance lease	(2,971)	(15,395)
Repayment of short term facilities	-	-
Issuance of shares	-	-
Dividend paid	-	(1,417)
Proceeds from finance lease	-	-
Repayment to director	(103)	(365)
Net cash flows from financing activities	(3,191)	(18,063)
Net change in cash & cash equivalents	(2,245)	(9,018)
Cash & cash equivalents at beginning of year	39,181	32,779
Cash & cash equivalents at end of period	36,936	23,761
Comprising of :		
Cash and bank balances	33,361	18,883
Fixed deposits with financial institutions	3,575	4,878

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 nine months ended 30 September 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	-	-	-	(244)	(244)	(430)	(674)
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 September 2015	94,441	(5,174)*	1,007	15,076	105,350	(1,174)	104,176
At 1 January 2014	56,665	2,074	1,007	33,223	92,969	132	93,101
Total comprehensive income	-	-	-	11,504	11,504	(531)	10,973
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	(1,417)	(1,417)	-	-
Others	-	220	-	-	220	(220)	-
Total transactions with owners	-	220	-	(1,417)	(1,197)	(220)	(1,417)
At 30 September 2014	56,665	2,294	1,007	43,310	103,276	(619)	102,657

* 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

 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>	3 rd Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	6,678	17,315
Small hydropower	-	-
Others	-	-
	6,678	17,315

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

<u>Operating profit/(loss)</u>	3 rd Quarter	
	2015 RM'000	2014 RM'000
Chartering of transportation assets	(301)	6,216
Small hydropower	(287)	(311)
Others	-	-
	(588)	5,905

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 rd Quarter	
	2015	2014
Charter of vehicles	-	3,064

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 substantially lower than against that of the corresponding period last year, down 61.4% to RM6.68 million, as revenue was affected by the deferment of the National Service Program for year 2015. This has significantly affected 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 Q3 was also affected by lower contract revenue and the continuing of costs incurred due to the under utilisation of the Group's fleet of vehicles, such as fleet depreciation costs and fleet maintenance costs. As a result of the under utilisation of the Groups fleet of vehicles, the Group incurred an operating loss of RM0.59 million.

Cumulative 3rd quarter vs Corresponding Period last year

Group revenue decreased by 55% to RM28.7mil, and operating profit dropped 83% to RM3.6mil, for the cumulative three quarters 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 loss before tax for the quarter amounted to approximately RM2.0 million which was substantial lower than the preceding quarter (profit before atx RM0.37 million), due continual 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. As such we expect incomes from this service-contract to underpin Gunung's 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 3 rd Quarter
Current	23	21
Deferred tax	-	-
	<u>23</u>	<u>21</u>

5. Status of corporate proposal
 There are currently no corporate proposals outstanding as at 30 September 2015.

6. Group borrowings and debt securities
 The details of the Group's borrowings as at 30 September 2015 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	<u>372</u>	<u>93</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 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	<u>(1,878)</u>	<u>(244)</u>
Weighted average issued capital net of treasury shares	169,088	169,088
Earnings per share (sen)	(1.1)	(0.1)

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	(1,878)	(244)
Weighted average issued capital net of treasury shares	169,088	169,088
Adjustment for warrant conversion into ordinary shares	777	777
Adjusted weighted average issued capital net of treasury shares	169,865	169,865
Earnings per share (sen)	1.1	0.1

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

	3 rd Quarter 2015 RM'000	2014 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	16,170	44,208
Unrealised*	(1,093)	(898)
	15,077	43,310

* 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)	160	537
(b) Depreciation and amortization,	1,994	5,738
(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