

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 3: Financial Year Ending 31 December 2016

The Directors are pleased to release the quarterly financial report for the quarter and nine months ended 30th September 2016.

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 2015:

- 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
21 November 2016

Schedule I : Condensed Consolidated Income Statement

For the quarter and nine months ended 30 September 2016

RM'000	Individual 3rd Quarter			Cumulative 3rd Quarter		
	30/9/2016	30/9/2015	% chg	30/9/2016	30/9/2015	% chg
Continuing Operations						
Revenue	10,521	6,678	57.6%	30,486	28,673	6.3%
Operating profit	1,762	(588)	400.0%	4,065	3,586	13.4%
Interest expense	(3)	(22)		(7)	(117)	
Interest income	239	160		651	537	
Administrative expenses	(2,046)	(2,258)		(5,984)	(6,076)	
Other income	183	713		1,414	1,165	
Profit before taxation (PBT)	135	(1,995)	106.8%	139	(905)	115.4%
Taxation	(200)	(23)		(399)	(21)	
Profit after taxation (PAT)	(65)	(2,018)	96.8%	(260)	(926)	71.9%
Attributable to :						
Equity holders of the Company	79	(1,878)	104.2%	(25)	(496)	95.0%
Non-controlling interests	(144)	(140)		(235)	(430)	nm
	(65)	(2,018)		(260)	(926)	
Basic earnings per share (sen) attributable to equity holders of the Company	0.0	(0.8)		(0.0)	(0.2)	
Diluted earnings per share (sen) attributable to equity holders of the Company	0.0	(0.8)		(0.0)	(0.2)	

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 2015.

Schedule II : Condensed Consolidated Statement of Comprehensive Income

For the quarter and nine months ended 30 September 2016

RM'000	Individual 3 rd Quarter			Cumulative 3 rd Quarter		
	30/9/2016	30/9/2015	% chg	30/9/2016	30/9/2015	% chg
Group profit after tax	(65)	(2,018)	96.8%	(260)	(926)	71.9%
Other comprehensive income,						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
Total comprehensive income for the year	(65)	(2,018)	96.8%	(260)	(926)	71.9%
Total comprehensive income attributable to:						
Equity holders of the Company	79	(1,878)	104.2%	(25)	(496)	95.0%
Non-controlling interests	(144)	(140)	nm	(235)	(430)	nm
	(65)	(2,018)		(260)	(926)	

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 2015.

Schedule III : Condensed Consolidated Statement of Financial Position

As at 30 September 2016

RM'000	30/09/2016	Audited 31/12/2015
Property, plant & equipment	29,665	32,039
Other financial assets	30	30
Goodwill on consolidation	22,036	20,883
Deferred Tax Assets	2,033	2,045
Current assets		
Trade receivables	4,481	1,003
Inventories	649	608
Tax recoverable	17	-
Other receivables	5,050	5,505
Cash and cash equivalents	45,640	44,816
	55,837	51,932
Less : Current liabilities		
Trade payables	781	-
Other payables	2,601	2,179
Finance lease and hire purchase creditors	89	67
Due to shareholder	17	-
Provision for taxation	25	91
	3,513	2,337
Net Current Assets	52,324	49,595
	106,088	104,592
Financed by:		
Share capital	94,441	94,441
Retained earnings	12,498	12,523
Other reserves	(4,174)	(4,174)
Non-controlling interests	(239)	(1,351)
Total Equity	102,526	101,439
Non-current liabilities		
Finance lease and hire purchase creditors	163	76
Deferred tax liabilities	3,399	3,077
	3,562	3,153
Total equity & non-current liabilities	106,088	104,592
Net assets per share (sen) attributable to equity holders of the Company	43.5	43.5

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 2015.

Schedule IV : Condensed Consolidated Statement of Cash Flow

For the nine months ended 30 September 2016

RM'000	Cumulative 3 rd quarter	
	30/09/2016	30/09/2015
Operating activities		
Profit before taxation		
- Continuing	139	(905)
Add non-cash : Depreciation & amortisation	5,777	5,990
Gain on :		
- disposal of property, plant & equipment	-	-
- disposal of subsidiary	-	-
Changes in working capital	(3,037)	4,185
Tax paid	(121)	(1,777)
Net cash flows from operating activities	2,758	7,493
Investing activities		
Interest income received	651	537
Investment in subsidiary	(2,500)	-
Purchase of property, plant and equipment	(682)	(7,084)
Gain from disposal of investment (associate)	495	-
Proceeds from disposal of property, plant and equipment	-	-
Net cash flows from investing activities	(2,036)	(6,547)
Financing activities		
Interest expenses	(7)	(117)
Repayment of finance lease	(57)	(2,971)
Repayment of short term facilities	-	-
Issuance of shares	-	-
Dividend paid	-	-
Proceeds from finance lease	166	-
Repayment to director	-	(103)
Net cash flows from financing activities	102	(3,191)
Net change in cash & cash equivalents	824	(2,245)
Cash & cash equivalents at beginning of year	44,816	39,181
Cash & cash equivalents at end of period	45,640	36,936
Comprising of :		
Cash and bank balances	45,600	33,361
Fixed deposits with financial institutions	40	3,575

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 2015.

Schedule V : Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2016

<-----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 2015	94,441	(5,181)	1,007	12,523	102,790	(1,351)	101,439
Total comprehensive income	-	-	-	(25)	(25)	(235)	(260)
Transactions with owners:							
Conversion of warrant to shares	-	-	-	-	-	-	-
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	-
Acquisition of subsidiary company (50% equity in Consol Hydro RE)	-	-	-	-	-	1,347	1,347
Total transactions with owners	-	-	-	-	-	1,347	1,347
At 30 September 2016	94,441	(5,181)*	1,007	12,498	102,765	(239)	102,526
At 1 January 2015	56,665	2,294	1,007	45,916	105,882	(744)	105,138
Total comprehensive income	-	-	-	(496)	(496)	(430)	(926)
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	14,824	105,098	(1,174)	103,924

* equity transaction reserve

Schedule VI : Selected Explanatory Notes Pursuant to MFRS 134

1. Accounting Policies and method of computation
 The quarterly financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 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 2015.
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 ended 31 December 2015, the NS program was deferred, and the National Service program required a bare minimum of transportation assets operating. For the financial period under review, the first batch of trainees for the National Service program was from 31 March to 30 May.
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	
	2016 RM'000	2015 RM'000
Chartering of transportation assets	10,521	6,678
Small hydropower	-	-
Others	-	-
	10,521	6,678

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

<u>Operating profit/(loss)</u>	3 rd Quarter	
	2016 RM'000	2015 RM'000
Chartering of transportation assets	2,099	(301)
Small hydropower	(337)	(287)
Others	-	-
	1,762	(588)

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	
	2016	2015
Charter of vehicles	-	-

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 significantly higher than against that of the corresponding financial period in 2015, up 57.6% to RM10.5 million, as the combined contract revenue from the National Service Program and the Ministry of Defence contract to ferry school children was accrued in Q3.

Furthermore, Group operating profit for Q3 improved significantly due to significant cost reductions and improved fleet utilization rates during the operation of the fleet of buses for the National Service Program, and the Ministry of Defence contract. Operating profit was up 400% against corresponding quarter last year, to RM1.8 million.

Group profit attributable to shareholders for Q3 was also up, compared with a RM1.9 mil loss in the corresponding period in FY2015, registering a profit of RM0.08 million, for the same reasons as mentioned above.

Cumulative 3rd quarter vs Corresponding Period last year

Group revenue increased by a solid 6.3% to RM30.5mil, and operating profit improved 13.4% to RM4.1mil, for the cumulative three quarters of 2016. This was directly attributed to the new contract revenues from the Ministry of Defence contract for year 2016, and the subsequent improved utilisation rates of the Group's fleet of vehicles.

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

Group profit before tax for the quarter amounted to approximately RM0.14 million which was substantially higher than that of the preceding quarter which incurred a pre-tax loss of approximately RM2.0 million. Again due to improved fleet utilization and lower fleet costs.

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, city buses for a public transportation service in Manjung (Perak), and ad-hoc charters will continue in FY2016.

The National Service Program for year 2016 commenced at end March 2016, and the contract to ferry students at the army camps commenced in February 2016 (for 10 months). By the year-end FY2016, we expect Group revenue and profit attributable to shareholders to be improved when compared with FY2015, and we expect service-contract revenues to underpin Gunung's prospective earnings in year 2016 and 2017. However, during FY2016 we continue to face the scale-down of the National Service program on the back of the efforts of the Government to reduce operating and development budgets/ expenditures.

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. Under the hydropower division, the first small-hydro plant, with an installed capacity of 14MW, is 90% complete and expected to be commissioned in December 2016.

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	-	77
Deferred tax	200	322
	<u>200</u>	<u>399</u>

5. Status of corporate proposal
 There are currently no corporate proposals outstanding as at 30 September 2016.

6. Group borrowings and debt securities
 The details of the Group's borrowings as at 30 September 2016 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease & hire purchase payables	RM	<u>89</u>	<u>163</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>79</u>	<u>(25)</u>
Weighted average issued capital net of treasury shares	236,102	236,102
Earnings per share (sen)	0.03	(0.01)

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	79	(25)
Weighted average issued capital net of treasury shares	236,102	236,102
Adjustment for warrant conversion into ordinary shares	-	-
Adjusted weighted average issued capital net of treasury shares	236,102	236,102
Earnings per share (sen)	0.03	(0.01)

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

	3 rd Quarter	
	2016 RM'000	2015 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	15,897	15,917
Unrealised*	(3,399)	(1,093)
	12,498	14,824

* 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)	239	651
(b) Depreciation and amortization,	1,909	5,777
(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	(495)
(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