

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 3: Financial Year Ending 31 December 2013

The Directors are pleased to release the quarterly financial report for the quarter and nine months ended 30th September 2013.

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 2012:

- 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
19 November 2013

Schedule I : Condensed Consolidated Income Statement

For the quarter and nine months ended 30 September 2013

RM'000	Individual 3rd Quarter			Cumulative 3rd Quarter		
	30/9/2013	30/9/2012	% chg	30/9/2013	30/9/2012	% chg
Continuing Operations						
Revenue	17,080	18,341	-6.9%	64,196	59,892	7.2%
Operating profit	4,159	5,741	-27.6%	20,230	19,242	5.2%
Interest expense	(648)	(961)		(2,079)	(3,067)	
Interest income	37	43		113	113	
Administrative expenses	(1,515)	(1,178)		(3,579)	(3,814)	
Other income	884	145		884	1,341	
Profit before taxation (PBT)	2,917	3,790	-23.1%	15,569	13,815	12.7%
Taxation	(911)	(797)		(3,927)	(3,133)	
Profit after taxation (PAT)	2,006	2,993	-33.0%	11,642	10,682	9.0%
Attributable to :						
Equity holders of the Company	1,801	2,978	-39.6%	11,455	10,679	7.3%
Non-controlling interests	205	15	nm	187	3	nm
	2,006	2,993		11,642	10,682	
Basic earnings per share (sen) attributable to equity holders of the Company	1.6	2.8		9.9	10.0	
Diluted earnings per share (sen) attributable to equity holders of the Company	1.4	2.4		8.9	8.7	

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 2012.

Schedule II : Condensed Consolidated Statement of Comprehensive Income

For the quarter and nine months ended 30 September 2013

RM'000	Individual 3 rd Quarter			Cumulative 3 rd Quarter		
	30/9/2013	30/9/2012	% chg	30/9/2013	30/9/2012	% chg
Group profit after tax	2,006	2,993	-33.0%	11,642	10,682	9.0%
Other comprehensive income,						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
Total comprehensive income for the						
year	2,006	2,993	-33.0%	11,642	10,682	9.0%
Total comprehensive income						
attributable to:						
Equity holders of the Company	1,801	2,978	-39.6%	11,455	10,679	7.3%
Non-controlling interests	205	15	nm	187	3	nm
	2,006	2,993	-33.0%	11,642	10,682	9.0%

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 2012.

Schedule III : Condensed Consolidated Statement of Financial Position

As at 30 September 2013

RM'000	30/09/2013	Audited 31/12/2012
Property, plant & equipment	65,830	80,621
Other financial assets	16	16
Goodwill on consolidation	12,450	12,450
Current assets		
Trade receivables	9,369	2,412
Inventories	698	542
Other receivables	6,261	8,660
Fixed deposits with financial institutions	4,441	4,375
Tax recoverable	2,443	635
Cash and cash equivalents	23,086	13,535
	46,298	30,159
Less : Current liabilities		
Trade payables	2,519	1,568
Other payables	9,458	12,926
Finance lease payables	20,367	19,522
Provision for taxation	4,057	2,196
	36,401	36,212
Net assets/(liabilities)	9,897	(6,053)
	88,193	87,034
Financed by:		
Share capital	51,549	45,017
Retained earnings	30,816	20,646
Other reserves	(2,332)	(2,332)
Non-controlling interests	454	267
Total Equity	80,487	63,598
Non-current liabilities		
Finance lease payable	6,687	22,036
Deferred tax liabilities	1,019	1,400
	7,706	23,436
Total equity & non-current liabilities	88,193	87,034
Net assets per share (sen) attributable to equity holders of the Company	62.5	56.3

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 2012.

Schedule IV : Condensed Consolidated Statement of Cash Flow

For the nine months ended 30 September 2013

RM'000	Cumulative 3 rd quarter	
	30/09/2013	30/09/2012
Operating activities		
Profit before taxation		
- Continuing	15,569	13,815
Add non-cash : Depreciation & amortisation	14,806	14,868
Gain on :		
- disposal of property, plant & equipment	-	(717)
- impairment of financial assets	-	262
Changes in working capital	(4,731)	(17,720)
Tax paid	(3,089)	(2,631)
Net cash flows from operating activities	22,555	7,877
Investing activities		
Interest income	113	113
Minority interest	-	-
Purchase of property, plant and equipment	(21)	(5,392)
Investment in an subsidiary company	-	(600)
Proceeds from disposal of property, plant and equipment	-	1,014
Net cash flows from investing activities	92	(4,865)
Financing activities		
Interest expenses	(2,079)	(3,067)
Repayment of finance lease	(14,503)	(13,085)
Repayment of short/long term facilities	(1,695)	(10,443)
Issuance of shares	6,532	7,316
Dividend paid	(1,285)	(1,111)
Proceeds from finance lease	-	4,443
Proceeds from short term facilities	-	6,500
Net cash flows from financing activities	(13,030)	(9,447)
Net change in cash & cash equivalents	9,617	(6,435)
Cash & cash equivalents at beginning of year	17,910	19,273
Cash & cash equivalents at end of year	27,527	12,838
Comprising of :		
Cash and bank balances	23,086	8,491
Fixed deposits with financial institutions	4,441	4,347

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 2012.

Schedule V : Condensed Consolidated Statement of Changes in Equity
 For the nine months ended 30 September 2013

<-----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 1 January 2013	45,017	(3,339)	1,007	20,646	63,331	267	63,598
Total comprehensive income	-	-	-	11,455	11,455	187	11,642
Transactions with owners:							
Conversion of warrant to shares	6,532	-	-	-	6,532	-	6,532
Issue new ordinary shares	-	-	-	-	-	-	-
Dividend declared	-	-	-	(1,285)	(1,285)	-	(1,285)
Others	-	-	-	-	-	-	-
Total transactions with owners	6,532	-	-	(1,285)	5,247	-	5,247
At 30 September 2013	51,549	(3,339)	1,007	30,816	80,033	454	80,487
At 1 January 2012	40,379	(5,449)	1,007	8,059	43,996	(48)	43,948
Total comprehensive income	-	-	-	10,679	10,679	3	10,682
Transactions with owners:							
Conversion of warrant to shares	316	-	-	-	316	-	316
Issue new ordinary shares	4,000	2,100	-	-	6,100	-	6,100
Dividend declared	-	-	-	(1,103)	(1,103)	-	(1,103)
Others	-	-	-	-	-	340	340
Total transactions with owners	4,316	2,100	-	(1,103)	5,313	340	5,653
At 30 September 2012	44,695	(3,349)	1,007	17,635	59,988	295	60,283

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 2012.

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.

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 except for the issuance of 11,840,781 new ordinary shares of RM0.40 each, pursuant to the conversion of 11,840,781 units of warrants 2003/2013 at the exercise price of RM0.40 each.

7. Dividends paid

A first single tier interim dividend of 1 sen per ordinary share of RM0.40 each (or 2.5%) has been paid on 27 September 2013, totaling RM1,285,443.14.

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, investment holding and property rental/ others. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements where applicable, are determined on a commercial basis.

However currently, almost 100% of revenues and operating profits from Continuing Operations are generated from the chartering of land-based transportation assets and vehicles, and the incomes from others are not significant.

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

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
The listing and quotation of 9,578,947 new ordinary shares of RM0.40 in Gunung pursuant to the proposed acquisition of 4,250,00 ordinary shares of RM1.00 each in Pusaka Hijau Sdn Bhd ("PHSB") representing 85% equity interest in PHSB from Beroz Nikmal bin Mirdin for a purchase consideration of RM9.10 million, was completed on 3 October 2013. PHSB is now an 85% owned subsidiary of Gunung.
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	
	2013	2012
Charter of vehicles	3,780	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 lower against that of the corresponding quarter last year, down by 7%. This decrease in revenue reflected reduction by half (1/2) month of revenue in the current quarter, from the contract with the Ministry of Defence due to the re-scheduling of the National Service program for 2013. The re-scheduling will have no effect on the total number of operating months within one year, remaining the same at nine months. Other contributions to revenue in the current quarter were derived from, the provision of a city-bus transportation service in Manjung, Perak, chartering of a fleet of vehicles (Ford Rangers and Kia minivans), chartering of 10 units of mini ambulances, and new revenues from renovation and trading of specialized vehicles.

Group operating profit slumped 28% to around RM4.16mil when compared to the corresponding quarter last year. This was mainly due to a reduction in contract revenues as mentioned above coupled with the costs of maintaining our assets during periods of no operations under contract.

Profit after tax attributable to shareholders was also significantly lower, down by approximately 33% to RM2.0 mil from the corresponding quarter last year for similar reasons as mentioned above, coupled with higher administrative expenses due to payment of staff bonuses, and costs associated with acquisition of an 85% stake in Pusaka Hijau Sdn Bhd. In addition, effective tax expense were higher due to a write off of tax recoverable amounting to RM260,000 upon receiving a final tax refund from LHDN, for prior years, in Gunung Resources Sdn Bhd.

Cummulative 3rd quarter vs Corresponding Period last year

Group revenue increased by 7% to RM64.2mil for the three quarters. This increase was due to 7.5 months of revenue from the contract with the Ministry of Defence in the first three quarters of 2013, and only 7.0 months of revenue in the corresponding period last year.

Group operating profit was up 5% to RM20.2 mil when compared to the corresponding period last year, again due to re-scheduling of the National Service program which included an extra 0.5 months of revenue in the first three quarters of 2013.

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

Group PBT for the quarter amounted to approximately RM2.9 million which was only 54% 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 smaller contracts in chartering land-based transportation assets and specialty vehicles, and to improve the operating efficiency is expected is continuing for financial year 2013.

The tenure of contracts, for chartering out land-based transportation assets, together with drivers, fuel, maintenance & repair costs, insurance costs and other operational costs, at a fixed monthly charter cost, 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.

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

Barring any major negative external forces, we expect to continue to broaden our earnings base in financial year 2013.

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 a fleet of 252 vehicles, and new short term contracts (which contributed more than 10% of revenue for the third quarter) will continue in the fourth quarter of financial year 2013.

4. Tax expense

The details of the tax expense are as follows:-

RM'000	Current Quarter	Cumulative 3 rd Quarter
Current	883	4,308
Deferred tax	28	(381)
	911	3,927

5. Status of corporate proposal

Other than the listing and quotation of 9,578,947 new ordinary shares of RM0.40 in Gunung pursuant to the proposed acquisition of 425,000 ordinary shares of RM1.00 each in Pusaka Hijau Sdn Bhd ("PHSB") representing 85% equity interest in PHSB from Beroz Nikmal bin Mirdin for a purchase consideration of RM9.10 million, there were no outstanding corporate proposals or new announcements (except those detailed in this financial report) made in the current financial quarter. This proposal was completed on 3 October 2013.

6. Group borrowings and debt securities

The details of the Group's borrowings as at 30 September 2013 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	20,367	6,687

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.

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	1,801	11,455
Weighted average issued capital net of treasury shares	116,033	116,033
Earnings per share (sen)	1.6	9.9

- (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	1,801	11,455
Weighted average issued capital net of treasury shares	116,033	116,033
Adjustment for warrant conversion into ordinary shares	13,190	13,190
Adjusted weighted average issued capital net of treasury shares	129,223	129,223
Earnings per share (sen)	1.4	8.9

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

	3 rd Quarter 2013 RM'000	2012 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	31,835	19,445
Unrealised*	(1,019)	(1,810)
	30,816	17,635

* 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
	<hr/>	<hr/>
(a) Other income (interest income)	37	113
(b) Depreciation and amortization,	4,938	14,806
(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	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