

**For immediate release**

## **QUARTERLY FINANCIAL REPORT**

**Quarter 4: Financial Year Ending 31 December 2013**

The Directors are pleased to release the quarterly financial report for the quarter and twelve months ended 31 December 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  
17 February 2014

**Schedule I : Condensed Consolidated Income Statement**

For the quarter and twelve months ended 31 December 2013

RM'000	Individual 4th Quarter			Cumulative 4th Quarter		
	31/12/2013	31/12/2012	% chg	31/12/2013	31/12/2012	% chg
<b>Continuing Operations</b>						
Revenue	15,726	18,760	-16.2%	79,922	79,002	1.2%
Operating profit	4,520	5,883	-23.2%	24,750	25,049	-1.2%
Interest expense	(587)	(888)		(2,666)	(3,906)	
Interest income	82	33		195	127	
Administrative expenses	(1,389)	(1,033)		(4,968)	(4,856)	
Other income	400	-		1,284	1,393	
Profit before taxation (PBT)	3,026	3,995	-24.3%	18,595	17,807	4.4%
Taxation	(662)	(1,001)		(4,589)	(4,134)	
Profit after taxation (PAT)	2,364	2,994	-21.0%	14,006	13,673	2.4%
Attributable to :						
Equity holders of the Company	2,348	3,022	-22.3%	13,803	13,699	1.0%
Non-controlling interests	16	(28)	nm	203	(26)	nm
	2,364	2,994		14,006	13,673	
Basic earnings per share (sen) attributable to equity holders of the Company	2.0	2.7		11.5	12.5	
Diluted earnings per share (sen) attributable to equity holders of the Company	1.8	2.4		10.5	11.0	

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 II : Condensed Consolidated Statement of Comprehensive Income**

For the quarter and twelve months ended 31 December 2013

RM'000	Individual 4 <sup>th</sup> Quarter			Cumulative 4 <sup>th</sup> Quarter		
	31/12/2013	31/12/2012	% chg	31/12/2013	31/12/2012	% chg
Group profit after tax	2,364	2,994	<b>-21.0%</b>	14,006	13,673	<b>2.4%</b>
<b>Other comprehensive income,</b>						
Foreign currency translation	-	-		-	-	
Realisation of reserves	-	-		-	-	
<b>Total comprehensive income for the</b>						
<b>year</b>	<b>2,364</b>	<b>2,994</b>	<b>-21.0%</b>	<b>14,006</b>	<b>13,673</b>	<b>2.4%</b>
<b>Total comprehensive income</b>						
<b>attributable to:</b>						
Equity holders of the Company	2,348	3,022	<b>-22.3%</b>	13,803	13,699	<b>1.0%</b>
Non-controlling interests	16	(28)	<b>nm</b>	203	(26)	<b>nm</b>
	<b>2,364</b>	<b>2,994</b>	<b>-21.0%</b>	<b>14,006</b>	<b>13,673</b>	<b>2.4%</b>

*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 31 December 2013

RM'000	31/12/2013	Audited 31/12/2012
Property, plant & equipment	61,069	80,621
Other financial assets	47	16
Goodwill on consolidation	21,541	12,450
Current assets		
Trade receivables	2,058	2,412
Inventories	711	542
Other receivables	9,428	8,660
Fixed deposits with financial institutions	4,973	4,375
Tax recoverable	1	635
Cash and cash equivalents	27,806	13,535
	44,977	30,159
Less : Current liabilities		
Trade payables	167	1,568
Other payables	9,462	12,926
Finance lease payables	18,868	19,522
Provision for taxation	1,407	2,196
	29,904	36,212
Net assets/(liabilities)	15,073	(6,053)
	97,730	87,034
Financed by:		
Share capital	56,665	45,016
Retained earnings	33,164	20,646
Other reserves	2,937	(2,332)
Non-controlling interests	280	267
Total Equity	93,046	63,597
Non-current liabilities		
Finance lease payable	3,435	22,037
Deferred tax liabilities	1,249	1,400
	4,684	23,437
Total equity & non-current liabilities	97,730	87,034
Net assets per share (sen) attributable to equity holders of the Company	65.5	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 twelve months ended 31 December 2013

RM'000	Cumulative 4 <sup>th</sup> quarter	
	31/12/2013	31/12/2012
<b>Operating activities</b>		
Profit before taxation		
- Continuing	18,595	17,807
Add non-cash : Depreciation & amortisation	19,742	19,252
Gain on :		
- disposal of property, plant & equipment	(92)	(731)
- impairment of financial assets	-	262
Changes in working capital	(2,665)	(1,624)
Tax paid	(3,727)	(4,405)
<b>Net cash flows from operating activities</b>	<b>31,853</b>	<b>30,561</b>
<b>Investing activities</b>		
Interest income	195	127
Repayment to other payables for prior year acquisition	(178)	(11,288)
Purchase of property, plant and equipment	(45)	(4,073)
Investment in an subsidiary company	31	2,282
Proceeds from disposal of property, plant and equipment	380	5,386
<b>Net cash flows from investing activities</b>	<b>383</b>	<b>(7,566)</b>
<b>Financing activities</b>		
Interest expenses	(2,666)	(3,906)
Repayment of finance lease	(19,536)	(18,547)
Repayment of short/long term facilities	(1,695)	(3,944)
Issuance of shares	7,816	7,037
Dividend paid	(1,285)	(2,121)
Repayment of Shareholder Advance	-	(4,505)
Repayment from former subsidiary	-	1,627
<b>Net cash flows from financing activities</b>	<b>(17,366)</b>	<b>(24,359)</b>
Net change in cash & cash equivalents	14,870	(1,364)
Cash & cash equivalents at beginning of year	17,909	19,273
<b>Cash &amp; cash equivalents at end of year</b>	<b>32,779</b>	<b>17,909</b>
<b>Comprising of :</b>		
Cash and bank balances	27,806	13,535
Fixed deposits with financial institutions	4,973	4,374

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 twelve months ended 31 December 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
<b>At 1 January 2013</b>	45,017	(3,339)	1,007	20,646	63,331	267	63,598
<b>Total comprehensive income</b>	-	-	-	13,803	13,803	203	14,006
<b>Transactions with owners:</b>							
Conversion of warrant to shares	7,816	-	-	-	7,816	-	7,816
Issue new ordinary shares	3,832	5,269	-	-	9,101	-	9,101
Dividend declared	-	-	-	(1,285)	(1,285)	-	(1,285)
Others	-	-	-	-	-	(190)	(190)
<b>Total transactions with owners</b>	11,648	5,269	-	(1,285)	15,632	(190)	15,442
<b>At 31 December 2013</b>	56,665	1,930	1,007	33,164	92,766	280	93,046
<b>At 1 January 2012</b>	40,379	(5,449)	1,007	8,059	43,996	(48)	43,948
<b>Total comprehensive income</b>	-	-	-	13,699	13,699	(26)	13,673
<b>Transactions with owners:</b>							
Conversion of warrant to shares	637	-	-	-	637	-	637
Issue new ordinary shares	4,000	2,100	-	-	6,100	-	6,100
Dividend declared	-	-	-	(1,112)	(1,112)	-	(1,112)
Others	-	9	-	-	9	341	350
<b>Total transactions with owners</b>	4,637	2,109	-	(1,112)	5,634	341	5,975
<b>At 31 December 2012</b>	45,016	(3,340)	1,007	20,646	63,329	267	63,596

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## 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 3,210,434 new ordinary shares of RM0.40 each, pursuant to the conversion of 3,210,434 units of warrants 2003/2013 at the exercise price of RM0.40 each, and the issuance of 9,578,947 new ordinary shares of RM0.40 in Gunung pursuant to the 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.
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 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, 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	2013	Cumulative 4 <sup>th</sup> Quarter	2012
	_____		_____
Charter of vehicles	5,040		5,040

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.



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## 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 16.2%. This decrease in revenue reflected a 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 has no effect on the total number of operating months within one calendar 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 ad-hoc chartering of buses and specialized vehicles.

Group operating profit dropped 23% to around RM4.52mil 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 transportation assets during periods of no operations under contract.

Profit after tax attributable to shareholders was also significantly lower, down by approximately 21% to RM2.4mil from the corresponding quarter last year for similar reasons as mentioned above. coupled with higher administrative expenses due to costs associated with acquisition of an 85% stake in Pusaka Hijau Sdn Bhd.

#### Cummulative 4<sup>th</sup> quarter vs Corresponding Period last year

Group revenue increased slightly by 1.2% to RM79.9mil for the full financial year. This increase was due to additional ad-hoc chartering of the Groups land-based transportation assets.

Group operating profit was down slightly by 1.2% to RM24.7 mil when compared to the corresponding period last year, which reflected higher maintenance and repair costs as the average age of the Group's fleet of vehicles increases.

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

Group PBT for the quarter amounted to approximately RM3.0 million which was 3% higher than the preceding quarter. This increase in PBT was due to lower interest expenses and administration expenses than that of the preceding quarter.

### 3. Prospects for the next financial year 2014

The management's sustained effort and investment, to secure additional smaller ad-hoc contracts in chartering land-based transportation assets and specialty vehicles, and to improve the operating efficiency, is expected to continue for financial year 2014.

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 2014.

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 will continue in financial year 2014.

4. Tax expense

The details of the tax expense are as follows:-

RM'000	Current Quarter	Cumulative 4 <sup>th</sup> Quarter
Current	432	4,740
Deferred tax	230	(151)
	<u>662</u>	<u>4,589</u>

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 31 December 2013 are as follows:-

RM'000	<u>Currency</u>	<u>Current</u>	<u>Non-Current</u>
Finance lease	RM	<u>18,868</u>	<u>3,435</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 has been proposed by the Board of Directors.

**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	2,348	13,803
Weighted average issued capital net of treasury shares	120,297	120,297
Earnings per share (sen)	2.0	11.5

- (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	2,348	13,803
Weighted average issued capital net of treasury shares	120,297	120,297
Adjustment for warrant conversion into ordinary shares	10,367	10,367
Adjusted weighted average issued capital net of treasury shares	130,664	130,664
Earnings per share (sen)	1.8	10.5

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

	4 <sup>th</sup> Quarter	
	2013 RM'000	2012 RM'000
Total revenue reserve of the Company and its subsidiaries		
Realised	34,413	22,046
Unrealised*	(1,249)	(1,400)
	33,164	20,646

\* 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)	82	195
(b) Depreciation and amortization,	4,929	19,742
(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	(92)	(92)
(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