

MERGE ENERGY BHD. (420099-X)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 31.07.2014 RM'000	Audited As at 31.01.2014 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	20,473	20,429
Investment properties	10,820	10,820
Investment in associate	2,296	2,328
Intangible assets	1,010	1,010
	34,599	34,587
Current Assets		
Stock	26	25
Amounts due from customers for contract works	47,602	49,625
Trade receivables	33,447	17,864
Other receivables, deposits and prepayments	1,319	1,302
Tax Recoverable	110	115
Amount owing by associate	141	141
Deposits with licensed banks	6,285	7,570
Cash and bank balances	10,362	2,618
	99,292	79,260
TOTAL ASSETS	133,891	113,847
EQUITY AND LIABILITIES		
Equity Attributable To Owner Of The Parent		
Share capital	67,000	67,000
Reserves		
Share premium	7,713	7,713
Accumulated losses	(18,623)	(18,899)
Shareholders' Equity	56,090	55,814
Non-Controlling Interests	1,736	1,402
Total Equity	57,826	57,216
Non Current Liabilities		
Hire purchase liabilities	487	383
Term Loan	476	492
Deferred tax liabilities	102	102
Current Liabilities		
Amounts due to customers for contract works	429	436
Trade payables	14,332	12,170
Other payables and accruals	58,224	41,760
Amount due to directors	447	-
Hire purchase liabilities	317	258
Short term borrowings	221	-
Term Loan	13	13
Provision for taxation	1,017	1,017
	75,000	55,654
Total Liabilities	76,065	56,631
TOTAL EQUITY AND LIABILITIES	133,891	113,847
Net assets per share attributable to owner of the parent of the company (RM)	0.84	0.83

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2014.)

MERGE ENERGY BHD. (420099-X)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	SECOND QUARTER		CUMMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.07.2014 RM'000	PRECEDING YEAR QUARTER 31.07.2013 RM'000	CURRENT YEAR TO DATE 31.07.2014 RM'000	PRECEDING YEAR TO DATE 31.07.2013 RM'000
Revenue	36,084	28,096	53,504	46,621
Cost of Sales	(32,273)	(25,468)	(47,011)	(41,025)
Gross Profit	3,811	2,628	6,493	5,596
Other Operating Income	222	268	351	376
Total Income	4,033	2,896	6,844	5,972
Admin & Distribution Costs	(3,843)	(2,367)	(6,216)	(4,950)
Profit/(Loss) from Operation	190	529	628	1,022
Finance Costs	(32)	(93)	(42)	(119)
Share of Result in Associate	(14)	-	(32)	(3)
Profit/(Loss) before taxation and zakat	144	436	554	900
Taxation	(95)	(22)	(220)	(46)
Profit/(Loss) after taxation and zakat	49	414	334	854
Total Comprehensive Income / (Loss) For The Period	49	414	334	854
Profit/(Loss) attributable to :				
Owners of the parent	226	312	276	914
Non-controlling interest	(177)	102	58	(60)
Profit/(Loss)	49	414	334	854
Total Comprehensive Income / (Loss) attributable to :				
Owners of the parent	226	312	276	914
Non-controlling interest	(177)	102	58	(60)
Total Comprehensive Income / (Loss)	49	414	334	854
Earnings per share : -- - basic / diluted	sen 0.34	sen 0.47	sen 0.41	sen 1.36

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2014.)

Additional Information	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from Operations	190	529	628	1,022
Gross Interest Income	98	134	110	135
Gross Interest Expense	32	93	42	119
Depreciation of Property, Plant and Equipmen	227	226	444	459

MERGE ENERGY BHD. (420099-X)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

← Attributable to Equity Holders of the Company →

	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
At 1 February 2014	67,000	7,713	(18,899)	55,814	1,402	57,216
Total Comprehensive Income for the period			276	276	58	334
Acquisition of subsidiary					276	276
At 31 July 2014	67,000	7,713	(18,623)	56,090	1,736	57,826

← Attributable to Equity Holders of the Company →

	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
At 1 February 2013	67,000	7,713	(22,692)	52,021	-	52,021
Total Comprehensive Income for the period			914	914	(60)	854
Acquisition of subsidiary				-	1,296	1,296
At 31 July 2013	67,000	7,713	(21,778)	52,935	1,236	54,171

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2014.)

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
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	6 months ended 31.07.2014 RM'000	6 months ended 31.07.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	555	900
Adjustments for :		
Non-cash items	444	470
Non-operating items (which are investing / financing)	238	87
Operating profit before changes in working capital	1,237	1,457
Changes in working capital :		
Net changes in current assets	(13,579)	1,393
Net changes in current liabilities	19,067	(158)
Cash (used in) / generated from operations	6,725	2,692
Interest paid	-	-
Tax paid	(214)	7
Zakat	-	-
Net cash (used in) / generated from operating activities	6,511	2,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from / (used in) investing activities	(377)	(1,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	325	(1,302)
Net (decrease) / increase in cash and cash equivalents	6,459	(591)
Cash and cash equivalents at beginning of financial year	10,188	10,093
Cash and cash equivalents at end of the quarter	16,647	9,502

(The Condensed Consolidated Statements Of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2014.)