

MERGE ENERGY BHD. (420099-X)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCT 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 31.10.2014 RM'000	Audited As at 31.01.2014 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	20,306	20,429
Investment properties	10,820	10,820
Investment in associate	2,289	2,328
Intangible assets	1,010	1,010
	34,425	34,587
Current Assets		
Stock	25	25
Amounts due from customers for contract works	38,764	49,625
Trade receivables	21,187	17,864
Other receivables, deposits and prepayments	1,443	1,302
Tax Recoverable	103	115
Amount owing by associate	141	141
Deposits with licensed banks	11,759	7,570
Cash and bank balances	4,638	2,618
	78,060	79,260
TOTAL ASSETS	112,485	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	(19,377)	(18,899)
Shareholders' Equity	55,336	55,814
Non-Controlling Interests	1,734	1,402
Total Equity	57,070	57,216
Non Current Liabilities		
Hire purchase liabilities	408	383
Term Loan	476	492
Deferred tax liabilities	102	102
Current Liabilities		
Amounts due to customers for contract works	719	436
Trade payables	11,239	12,170
Other payables and accruals	41,836	41,760
Amount due to directors	297	-
Hire purchase liabilities	317	258
Term Loan	21	13
Provision for taxation	-	1,017
	54,429	55,654
Total Liabilities	55,415	56,631
TOTAL EQUITY AND LIABILITIES	112,485	113,847
Net assets per share attributable to owner of the parent of the company (RM)	0.83	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 THIRD QUARTER ENDED 31 OCT 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	THIRD QUARTER		CUMMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.10.2014 RM'000	PRECEDING YEAR QUARTER 31.10.2013 RM'000	CURRENT YEAR TO DATE 31.10.2014 RM'000	PRECEDING YEAR TO DATE 31.10.2013 RM'000
Revenue	18,919	27,496	72,423	74,117
Cost of Sales	(17,132)	(23,660)	(64,143)	(64,685)
Gross Profit	1,787	3,836	8,280	9,432
Other Operating Income	191	5,222	542	5,598
Total Income	1,978	9,058	8,822	15,030
Admin & Distribution Costs	(2,534)	(3,124)	(8,750)	(8,043)
Other Operating Expenses	-	(4,855)	-	(4,885)
Profit/(Loss) from Operation	(556)	1,079	72	2,102
Finance Costs	(29)	(53)	(71)	(172)
Share of Result in Associate	(7)	(4)	(39)	(7)
Profit/(Loss) before taxation and zakat	(592)	1,022	(38)	1,923
Taxation	(164)	(210)	(384)	(256)
Profit/(Loss) after taxation and zakat	(756)	812	(422)	1,667
Total Comprehensive Income / (Loss) For The Period	(756)	812	(422)	1,667
Profit/(Loss) attributable to :				
Owners of the parent	(754)	579	(478)	1,494
Non-controlling interest	(2)	233	56	173
Profit/(Loss)	(756)	812	(422)	1,667
Total Comprehensive Income / (Loss) attributable to :				
Owners of the parent	(754)	579	(478)	1,494
Non-controlling interest	(2)	233	56	173
Total Comprehensive Income / (Loss)	(756)	812	(422)	1,667
Earnings per share : -- - basic / diluted	sen (1.13)	sen 0.86	sen (0.71)	sen 2.23

(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	(556)	1,079	72	2,102
Gross Interest Income	25	4	135	140
Gross Interest Expense	29	53	53	172
Depreciation of Property, Plant and Equipment	230	221	674	681

MERGE ENERGY BHD. (420099-X)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCT 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			(478)	(478)	56	(422)
Changes in equity interest					276	276
At 31 Oct 2014	67,000	7,713	(19,377)	55,336	1,734	57,070

← 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			1,494	1,494	173	1,667
Acquisition of subsidiary				-	1,296	1,296
At 31 Oct 2013	67,000	7,713	(21,198)	53,515	1,469	54,984

(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.)

MERGE ENERGY BHD. (420099-X)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 OCT 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months ended 31.10.2014 RM'000	9 months ended 31.10.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(38)	1,922
Adjustments for :		
Non-cash items	674	697
Non-operating items (which are investing / financing)	194	99
Operating profit before changes in working capital	830	2,718
Changes in working capital :		
Net changes in current assets	7,397	33
Net changes in current liabilities	(274)	(1,238)
Cash (used in) / generated from operations	7,953	1,513
Interest paid	-	-
Tax paid	(1,389)	(517)
Zakat	-	-
Net cash (used in) / generated from operating activities	6,564	996
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from / (used in) investing activities	(360)	(1,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	5	(1,520)
Net (decrease) / increase in cash and cash equivalents	6,209	(2,381)
Cash and cash equivalents at beginning of financial year	10,188	10,093
Cash and cash equivalents at end of the quarter	16,397	7,712

(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.)