



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2010 RM'000	Preceding Year Corresponding Quarter 31.12.2009 RM'000	Current Year To Date 31.12.2010 RM'000	Preceding Year Corresponding Period 31.12.2009 RM'000
Revenue	9,788	10,132	36,647	29,264
Cost of sales	(6,809)	(7,918)	(28,125)	(24,191)
Gross profit	2,979	2,214	8,522	5,073
Other income	198	136	557	400
Other expenses	(929)	(1,001)	(3,069)	(2,847)
Finance costs	(18)	(34)	(91)	(173)
Profit before tax	2,230	1,315	5,919	2,453
Income tax expense	(129)	(132)	(618)	(307)
Profit for the year	2,101	1,183	5,301	2,146
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	2,101	1,183	5,301	2,146
Profit for the year attributable to owners of the Company	2,101	1,183	5,301	2,146
Total comprehensive income attributable to owners of the Company	2,101	1,183	5,301	2,146
Earnings per share attributable to owners of the Company (sen)				
- Basic	1.12	0.63	2.83	1.15
- Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2010 (UNAUDITED) RM'000	As at 31.12.2009 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,724	23,755
Prepaid lease payments	2,567	2,672
	<u>27,291</u>	<u>26,427</u>
Current assets		
Inventories	4,417	3,505
Trade receivables	9,613	10,697
Other receivables and prepaid expenses	538	430
Cash and bank balances	10,818	10,945
	<u>25,386</u>	<u>25,577</u>
TOTAL ASSETS	<u>52,677</u>	<u>52,004</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	18,982	18,982
Treasury shares	(567)	(567)
Share premium	5,828	5,828
Retained earnings	19,134	17,580
	<u>43,377</u>	<u>41,823</u>
Non-current liabilities		
Borrowings	523	615
Deferred tax liabilities	1,471	1,378
	<u>1,994</u>	<u>1,993</u>
Current liabilities		
Trade payables	1,957	3,244
Other payables and accrued expenses	4,655	4,004
Borrowings	692	919
Tax liabilities	2	21
	<u>7,306</u>	<u>8,188</u>
Total liabilities	<u>9,300</u>	<u>10,181</u>
TOTAL EQUITY AND LIABILITIES	<u>52,677</u>	<u>52,004</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.23</u>	<u>0.22</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to Owners of the Company				Total Equity RM'000
	Share Capital RM'000	Non-distributable Treasury Shares RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	
At 1 January 2010	18,982	(567)	5,828	17,580	41,823
Total comprehensive income for the year	-	-	-	5,301	5,301
Dividends to owners	-	-	-	(3,747)	(3,747)
At 31 December 2010	18,982	(567)	5,828	19,134	43,377
At 1 January 2009	18,982	(567)	5,828	17,308	41,551
Total comprehensive income for the year	-	-	-	2,146	2,146
Dividends to owners	-	-	-	(1,874)	(1,874)
At 31 December 2009	18,982	(567)	5,828	17,580	41,823

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Twelve Months Ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,919	2,453
Adjustments for:		
Non-cash items	4,059	3,899
Non-operating items	(303)	(84)
Operating Profit Before Working Capital Changes	9,675	6,268
Changes in working capital		
Net change in current assets	205	(2,637)
Net change in current liabilities	(870)	2,089
Interest paid	(65)	(147)
Income tax paid	(664)	(334)
Income tax refunded	3	355
Net Cash From Operating Activities	8,284	5,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(4,598)	(2,988)
Interest received	253	206
Net Cash Used In Investing Activities	(4,345)	(2,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(319)	(1,886)
Dividends paid	(3,747)	(1,874)
Net Cash Used In Financing Activities	(4,066)	(3,760)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(127)	(948)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,945	11,893
CASH AND CASH EQUIVALENTS AT END OF YEAR	10,818	10,945
Cash and cash equivalents comprise of:		
Deposits, cash and bank balances	10,818	10,945

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 – INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following FRSs, Amendments and Interpretations effective for financial period beginning 1 January 2010:

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 8: Operating Segments
- FRS 101: Presentation of Financial Statements
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs "Improvements to FRSs (2009)"
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A2. Changes in Accounting Policies (cont'd)

- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these standards, amendments and interpretations has no effect on the interim financial statements of the Group except for the following:

(i) FRS 101 (revised): Presentation of Financial Statements

With the adoption of the revised FRS 101, all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The consolidated statement of changes in equity only includes details of transactions with owners. The adoption of this standard does not have any impact on the financial position and results of the Group.

(ii) FRS 139: Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement dates. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. The adoption of FRS 139 does not have any significant impact on the results of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2009 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the year under review.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A6. Material Changes in Estimates

There were no material changes in estimates for the year under review.

A7. Issuance and Repayment of Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the year under review.

A8. Dividends Paid

A first interim dividend of 10%, tax-exempt, equivalent to 1.0 sen per share, amounting to RM1,873,718 in respect of financial year ending 31 December 2010 was paid by the Company on 21 September 2010.

A second interim tax-exempt dividend of 10% equivalent to 1.0 sen per share, amounting to RM1,873,718 in respect of financial year ending 31 December 2010 was paid by the Company on 13 December 2010.

A9. Segmental Information

Segmental information in respect of the Group's business segments for the year ended 31 December 2010:

	Precision Engineering RM'000	Plastic Injection RM'000	Total RM'000
External revenue	16,493	20,154	36,647
Inter-segment revenue	731	-	731
Segment profit	5,145	4,533	9,678



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

A9. Segmental Information (cont'd)

Reconciliation of reportable segment profit:

	Year Ended 31 December 2010 RM'000
Total profit for reportable segments	9,678
Elimination of inter-segment profits	398
Depreciation and amortisation	(4,009)
Finance costs	(91)
Interest income	258
Unallocated corporate expenses	(315)
	<hr/>
Consolidated profit before tax	5,919
	<hr/>

A10. Valuation of Property, Plant and Equipment

Not applicable.

A11. Material Events Subsequent to the End of the Interim Period

There was no material event subsequent to the current quarter ended 31 December 2010 that has not been reflected in this quarterly report.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 December 2010.

A13. Contingent Liabilities

Save for the corporate guarantee granted by LNG in favour of financial institutions for credit facilities granted to its subsidiary companies, neither LNG nor its subsidiary companies have any contingent liabilities as at 31 December 2010 which, upon becoming enforceable, may have a material effect on the financial position of LNG or its subsidiary companies. Accordingly, the Company is contingently liable to the extent of the credit facilities utilised by its subsidiary companies amounting to approximately RM841,000 as of the end of the financial year.

A14. Capital Commitments

The Group does not have any material capital commitment as at 31 December 2010.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1. Performance Review

The Group's revenue for the current financial year ended 31 December 2010 of RM36.647 million is higher than the revenue in the prior corresponding financial year ended 31 December 2009 of RM29.264 million. The profit before tax for the year ended 31 December 2010 amounted to RM5.919 million, which is also higher than the profit before tax of RM2.453 million for the previous year's corresponding financial year. The increase in revenue and profit before tax of 25.2% and 141.3% respectively was mainly due to the recovery in the connectors, semiconductor and the electrical and electronics industries this year. The Group experienced improved revenue in both the precision engineering and precision plastic injection moulding divisions.

The Group achieved a revenue of RM9.788 million for the current quarter ended 31 December 2010, which is lower than the revenue for the quarter ended 31 December 2009 of RM10.132 million whilst profit before tax for the current quarter ended 31 December 2010 increased to RM2.230 million from RM1.315 million in the quarter ended 31 December 2009. Revenue decreased mainly due to the precision plastic injection moulding division receiving components on consignment basis from its customer and charging for its value-added services only. However, profit before tax for both the precision engineering and precision plastic injection moulding divisions have increased compared to the previous year corresponding quarter due to improve volume of business.

Net cash from operating activities increased from RM5.594 million to RM8.284 million in the current financial year. Cash flows used in investing activities increased to RM4.345 million due to higher capital expenditure to improve the Group's production capacity and efficiency. Cash flows used in financing activities was RM4.066 million mainly due to dividends paid to shareholders amounting to RM3.747 million. Cash and cash equivalents at end of year remained at RM10.818 million.

There are no other material factors which have affected the revenue and profit before tax of the Group for the current year/quarter.

B2. Comment on Material Change in Profit Before Tax

The pre-tax profit increased to RM2.230 million as compared to RM0.932 million in the preceding quarter mainly due to higher revenue in the current quarter.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B3. Current Year Prospects

Barring any unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the financial year ending 31 December 2011 will be maintained as per year 2010.

B4. Variance of Actual Profit from Profit Forecast

Not applicable.

B5. Income Tax Expense

	Current Quarter RM'000	Year To Date RM'000
Income Tax	110	525
Deferred Tax	19	93
	<u>129</u>	<u>618</u>

The effective tax rate of the Group is lower than the statutory tax rate of 25% due to the utilisation of reinvestment allowance to partially offset the taxable profit of the Group.

B6. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investment and/or properties for the current quarter and the financial year to date.

B7. Particulars of Purchase or Disposal of Quoted Securities

There were no acquisitions or disposals of quoted securities for the current quarter and the financial year to date.

B8. Status of Corporate Proposals

There is no outstanding uncompleted corporate proposal as at the date of this quarterly report.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B9. Borrowings and Debt Securities

The Group's borrowings, all of which are secured and denominated in Ringgit Malaysia, as at the end of the reporting quarter are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Hire purchase	692	523	1,215

B10. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to Bursa Malaysia Securities Berhad's directive dated 25 March 2010, is as follows:

	As at 31 December 2010 RM'000	As at 30 September 2010 RM'000
Total retained profits of LNG Resources Berhad and its subsidiaries:		
- Realised	20,605	20,358
- Unrealised	(1,471)	(1,452)
Total Group retained profits as per consolidated accounts	19,134	18,906

The determination of realised and unrealised profits is made based on the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

B11. Derivative Financial Instruments

With the adoption of FRS 139, financial derivatives are recognised at contract dates.

During the financial year, the Group entered into forward foreign exchange contracts to hedge exposures to currency risk for receivables which are denominated in currencies other than the functional currency of the Group.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B11. Derivative Financial Instruments (cont'd)

There were no outstanding forward foreign exchange contracts as at 31 December 2010.

The Group does not foresee any significant credit and market risks posed by the above derivative financial instruments.

B12. Material Litigations

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this quarterly report.

B13. Dividends

On 24 February 2011, the Company declared a special tax-exempt dividend of 10% equivalent to 1.0 sen per share in respect of financial year ended 31 December 2010, to be paid on 23 March 2011 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 14 March 2011.

With the special tax-exempt dividend of 10% equivalent to 1.0 sen per share, the dividend payout ratio for the financial year ended 31 December 2010 will be 106% of the Group's profit for the year.

Total dividends declared for the financial year ended 31 December 2010 include the following:

- i. A first interim dividend of 10%, tax-exempt, equivalent to 1.0 sen per share, amounting to RM1,873,718 in respect of financial year ending 31 December 2010 was paid by the Company on 21 September 2010 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 7 September 2010.
- ii. A second interim tax-exempt dividend of 10% equivalent to 1.0 sen per share, amounting to RM1,873,718 in respect of financial year ending 31 December 2010 was paid by the Company on 13 December 2010 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 30 November 2010.
- iii. A special tax-exempt dividend of 10% equivalent to 1.0 sen per share, amounting to RM1,873,718 in respect of financial year ended 31 December 2010, to be paid on 23 March 2011 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 14 March 2011.



LNG RESOURCES BERHAD

(Company No: 582043-K)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

B14. Earnings Per Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter and financial year to date is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue, excluding treasury shares, in the respective periods as follows:

	Current Quarter	Year To Date
Profit attributable to owners of the Company (RM'000)	2,101	5,301
Weighted average number of ordinary shares in issue (units)	<u>187,371,772</u>	<u>187,371,772</u>
Basic earnings per ordinary share (sen)	<u>1.12</u>	<u>2.83</u>

Diluted earnings per ordinary share

There is no dilution in the earnings per ordinary share of the Company as the average market price of the Company's ordinary shares for the respective periods is lower than the exercise price.