



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2013 - unaudited

	Current quarter Three months ended 31 March		Cumulative quarter Three months ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	9,099	5,457	9,099	5,457
Cost of sales	(6,785)	(4,701)	(6,785)	(4,701)
Gross profit	2,314	756	2,314	756
Other income	169	11	169	11
Selling and distribution expenses	(77)	(26)	(77)	(26)
Administrative expenses	(1,771)	(559)	(1,771)	(559)
Other expenses	-	(22)	-	(22)
Operating profit	635	160	635	160
Interest income	30	92	30	92
Finance costs	(106)	(9)	(106)	(9)
Profit before tax	559	243	559	243
Tax expense	(206)	(131)	(206)	(131)
Profit for the period	353	112	353	112
Other comprehensive income/(loss) for the period, net of tax <i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	(41)	-	(41)	-
Total comprehensive income for the period	312	112	312	112
Profit/(Loss) attributable to:				
Owners of the Company	371	112	371	112
Non-controlling interests	(18)	-	(18)	-
Profit for the period	353	112	353	112
Total comprehensive income/(loss) attributable to:				
Owners of the Company	329	112	329	112
Non-controlling interests	(17)	-	(17)	-
Total comprehensive income for the period	312	112	312	112



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the three months ended 31 March 2013 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share)				
Basic	0.17	0.06	0.17	0.06
Diluted	-	0.06	-	0.06

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

(Company No: 582043-K)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2013

	31 March 2013 (Unaudited) RM'000	31 December 2012 (Audited) RM'000
Assets		
Non-current assets		
Property, plant and equipment	35,955	19,821
Prepaid lease payments	2,330	2,356
Investment property	804	-
Goodwill	13,568	-
	<u>52,657</u>	<u>22,177</u>
Current assets		
Inventories	9,960	2,699
Trade and other receivables	12,805	8,967
Prepayments	993	339
Tax recoverable	586	431
Cash and bank balances	4,638	10,568
	<u>28,982</u>	<u>23,004</u>
Total assets	<u>81,639</u>	<u>45,181</u>
Equity and liabilities		
Equity		
Share capital	24,199	18,982
Share premium	12,576	5,828
Other reserve	(1,826)	-
Translation reserve	(50)	(8)
Treasury shares	(567)	(567)
Retained earnings	16,037	15,666
Equity attributable to owners of the Company	<u>50,369</u>	<u>39,901</u>
Non-controlling interests	<u>15</u>	<u>32</u>
Total equity	<u>50,384</u>	<u>39,933</u>
Non-current liabilities		
Loans and borrowings	4,175	259
Deferred tax liabilities	2,105	1,247
	<u>6,280</u>	<u>1,506</u>
Current liabilities		
Trade and other payables	18,792	3,622
Loans and borrowings	6,071	120
Income tax liabilities	112	-
	<u>24,975</u>	<u>3,742</u>
Total liabilities	<u>31,255</u>	<u>5,248</u>
Total equity and liabilities	<u>81,639</u>	<u>45,181</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.21</u>	<u>0.21</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the three months ended 31 March 2013 - unaudited

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 January 2013	18,982	5,828	-	(8)	(567)	15,666	39,901	32	39,933
Foreign currency translation differences for foreign operations	-	-	-	(42)	-	-	(42)	1	(41)
Other comprehensive income for the period	-	-	-	(42)	-	-	(42)	1	(41)
Profit for the period	-	-	-	-	-	371	371	(18)	353
Total comprehensive income for the period	-	-	-	(42)	-	371	329	(17)	312
Issuance of new ordinary shares in relation to acquisition of subsidiary	5,217	6,783	-	-	-	-	12,000	-	12,000
Share issue expenses	-	(35)	-	-	-	-	(35)	-	(35)
Adjustment on premium of shares issued on acquisition of subsidiary	-	-	(1,826)	-	-	-	(1,826)	-	(1,826)
Total transactions with owners	5,217	6,748	(1,826)	-	-	-	10,139	-	10,139
At 31 March 2013	24,199	12,576	(1,826)	(50)	(567)	16,037	50,369	15	50,384



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the three months ended 31 March 2013 - unaudited

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 January 2012	18,982	5,828	-	-	(567)	18,909	43,152	-	43,152
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	112	112	-	112
Total comprehensive income for the period	-	-	-	-	-	112	112	-	112
Dividends (representing transactions with owners)	-	-	-	-	-	(3,747)	(3,747)	-	(3,747)
At 31 March 2012	18,982	5,828	-	-	(567)	15,274	39,517	-	39,517

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the three months ended 31 March 2013 - unaudited

	Three months ended 31 March	
	2013 RM'000	2012 RM'000
Cash flows from operating activities		
Profit before tax	559	243
Adjustments for:		
Amortisation of prepaid lease payments	44	27
Depreciation of property, plant and equipment	799	1,003
Unrealised gain on foreign exchange	(22)	(6)
Unrealised loss on forward foreign currency contracts	-	1
Acquisition-related costs	361	-
Interest expense	94	3
Interest income	(30)	(92)
Operating profit before changes in working capital	<u>1,805</u>	<u>1,179</u>
Changes in:		
Inventories	(612)	(613)
Trade and other receivables and prepayments	3,836	666
Trade and other payables	(834)	(181)
Cash generated from operations	<u>4,195</u>	<u>1,051</u>
Interest paid	(94)	(3)
Tax paid	(287)	(165)
Tax refund	5	-
Net cash from operating activities	<u>3,819</u>	<u>883</u>
Cash flows from investing activities		
Interest received	38	93
Purchase of property, plant and equipment	(898)	(620)
Acquisition-related costs paid	(152)	-
Acquisition of subsidiaries, net	(10,727)	-
Net cash used in investing activities	<u>(11,739)</u>	<u>(527)</u>
Cash flows from financing activities		
Repayment of loans and borrowings	(510)	(58)
Dividends paid	-	(3,747)
Share issue expenses paid	(35)	-
Net cash used in financing activities	<u>(545)</u>	<u>(3,805)</u>
Net decrease in cash and cash equivalents	(8,465)	(3,449)
Foreign currency translation differences	(9)	-
Cash and cash equivalents at 1 January	10,568	14,322
Cash and cash equivalents at 31 March	<u>2,094</u>	<u>10,873</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	4,638	10,873
Bank overdraft	(2,544)	-
	<u>2,094</u>	<u>10,873</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.



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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Notes pursuant to Malaysian 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 Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

The consolidated financial statements of the Group for the year ended 31 December 2012 are available upon request from the Company’s registered office at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang.

The 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 2012.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, Amendments and IC Interpretations:

Effective for financial periods beginning on or after 1 July 2012

- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

- MFRS 10 : Consolidated Financial Statements
- MFRS 11 : Joint Arrangements
- MFRS 12 : Disclosure of Interests in Other Entities
- MFRS 13 : Fair Value Measurement
- MFRS 119 : Employee Benefits
- MFRS 127 : Consolidated and Separate Financial Statements
- MFRS 128 : Investments in Associates and Joint Ventures
- Amendments to MFRS 1 : Government Loans
- Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10 : Consolidated Financial Statements : Transition Guidance
- Amendments to MFRS 11 : Joint Arrangements : Transition Guidance
- Amendments to MFRS 12 : Disclosure of Interests in Other Entities : Transition Guidance
- IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle



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A2. Significant accounting policies (continued)

The Directors expect that the adoption of the above MFRSs, Amendments and IC Interpretations will not result in any significant changes in the accounting policies and will not have any significant effect on the financial position, results and disclosures in the financial statements of the Group and the Company in the period of initial application.

A3. Seasonal or cyclical factors

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

A4. Unusual items

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

A5. Changes in estimates

There were no changes in estimates that have had a material effect for the period under review, save as follows:

The Group reviewed the useful life of the items of property, plant and equipment, which resulted in changes in the expected usage of certain machineries. Certain machineries, which the Group previously estimated to have a useful life of eight years, are now expected to remain in production for twelve years from the date of purchase. The effect of these changes resulted in a decrease in depreciation expense recognised in cost of sales for the current quarter and period ended 31 March 2013 by RM0.297 million.

A6. Debt and equity securities

There were no issues, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review save as on 6 February 2013, the Company issued 52,173,913 new ordinary shares of RM0.10 each at an issue price of RM0.23 per ordinary share as part of purchase consideration for the acquisition of subsidiary as disclosed in Note A10.

A7. Dividends paid

There were no dividends paid during the period under review.



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A8. Segment information

The Group is organised and managed into business units based on their products and services, and has three reportable segments as follows:

- i. Precision engineering - Involved in the design and manufacture of high precision moulds, tools and dies.
- ii. Precision plastic injection moulding - Engaged in the precision engineering plastic injection moulding and sub-assembly.
- iii. Precision machining and stamping - Involved in the manufacture and sale of precision machining and stamping components for the telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of related specialised engineering services.

There have been no changes in the basis of measurement of segment profit or loss from the last annual financial statements.

Information in respect of the Group's reportable segments for the period ended 31 March 2013 was as follows:

	Precision engineering RM'000	Precision plastic injection moulding RM'000	Precision machining and stamping RM'000	Total RM'000
External revenue	3,284	2,220	3,595	9,099
Inter-segment revenue	53	-	-	53
Reportable segment profit	322	227	1,291	1,840
Reportable segment assets	23,408	10,802	33,143	67,353
Reportable segment liabilities	4,610	3,882	14,813	23,305

Reconciliation of reportable segment profit:

	Period ended 31 March 2013 RM'000
Total profit for reportable segments	1,840
Elimination of inter-segment profits	95
Depreciation and amortisation	(843)
Finance costs	(106)
Interest income	30
Unallocated corporate expenses	(457)
Consolidated profit before tax	559

A9. Events after the end of the interim period

There were no events after the current period ended 31 March 2013 that has not been reflected in this quarterly report save as disclosed in Note B9.



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A10. Changes in the composition of the Group

On 8 February 2013, the Company acquired all the shares in Oriental Fastech Manufacturing Sdn Bhd (“OFM”) for a total purchase consideration of RM32,000,000 satisfied by way of cash of RM20,000,000 and the balance of RM12,000,000, by way of issuance of 52,173,913 new ordinary shares of the Company at an issue price of RM0.23 per share.

OFM is engaged in the manufacture and sale of precision machining and stamping components for telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of related specialised engineering services. The acquisition of OFM allows the Group to expand its existing business operations to include precision metal turning and stamping, and surface finishing manufacturing services.

Since the acquisition date, OFM contributed revenue of RM3.595 million and profit of RM0.846 million in the period ended 31 March 2013. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue would have been RM10.903 million and consolidated profit for the quarter/period ended 31 March 2013 would have been RM0.351 million.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	RM'000
Cash and cash equivalents	20,000
Equity instruments issued (52,173,913 ordinary shares valued based on the share price on completion date of RM0.195)	10,174
	<u>30,174</u>

Identifiable assets acquired and liabilities assumed

	RM'000
Property, plant and equipment	15,381
Investment property	807
Inventories	6,649
Trade and other receivables	7,848
Prepayments	468
Cash and bank balances	970
Loans and borrowings	(10,030)
Current tax liabilities	(81)
Deferred tax liabilities	(810)
Trade and other payables	(4,596)
Total identifiable net assets	<u>16,606</u>

Net cash outflow arising from acquisition of subsidiary

	RM'000
Purchase consideration settled in cash and cash equivalents	(20,000)
Cash and bank balances acquired	970
Unpaid cash consideration as at 31 March 2013	10,500
Bank overdraft	(2,197)
Net cash outflow of the Group	<u>(10,727)</u>



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A10. Changes in the composition of the Group (continued)

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	RM'000
Total consideration transferred	30,174
Fair value of identifiable net assets	<u>(16,606)</u>
Goodwill	<u>13,568</u>

The goodwill is attributable mainly to the synergistic benefits expected to be derived from integrating OFM into the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related cost

The Group incurred acquisition-related costs of RM0.983 million and these costs of RM0.361 million and RM0.622 million were recognised as administrative expenses in the Group's statement of profit or loss and other comprehensive income for the financial period ended 31 March 2013 and for the year ended 31 December 2012 respectively.

A11. Capital expenditure

The major additions of the property, plant and equipment during the current quarter and period ended 31 March 2013 were as follows:

	Current quarter RM'000	Period to date RM'000
Additions	<u>1,599</u>	<u>1,599</u>

A12. Capital commitments

The Group has the following capital commitment in respect of property, plant and equipment as at 31 March 2013.

	RM'000
Contracted but not provided for	<u>833</u>

A13. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets arising since the end of the last annual reporting period save as disclosed in Note B9.

A14. Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group were as follows:

	Current quarter RM'000	Period to date RM'000
Significant transactions with companies related to major shareholders of the Company:		
Plating service costs paid	82	82
Income receivable from services rendered	10	10
Rental income	<u>80</u>	<u>80</u>



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B. Notes pursuant to Chapter 9, Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance review

Operating environment

The operating environment remained challenging during the first quarter of 2013 due to the prevailing global economic conditions. Despite that the global economy faces fewer headwinds in 2013, compared with last year, the global economy recovery is described as fragile and timid. Overall, the economy is slowly improving, although it could be derailed by unexpected shocks.

Financial performance

The Group achieved revenue of RM9.099 million for the current period/quarter ended 31 March 2013, which represents a growth in revenue of 66.7% as compared to the prior corresponding period/quarter ended 31 March 2012. The significant growth in revenue was mainly attributable to the additional revenue contribution from the newly acquired precision machining and stamping segment and the increase in demand for the precision engineering segment.

The Group's profit before tax for the current period/quarter ended 31 March 2013 increased to RM0.559 million as compared to RM0.243 million recorded in the prior corresponding period/quarter. The increase in the Group's profit before tax was in line with the increase in revenue despite that the amount was partly offset by the expenses incurred in the current period/quarter for the acquisition of a subsidiary, which amounted to approximately RM0.361 million.

The Group's profit before tax for the current quarter and period ended 31 March 2013 excluding expenses incurred for the acquisition of a subsidiary, were as follows:

	Current quarter/period ended 31 March 2013 RM'000
Profit before tax ("PBT")	559
Add: Expenses incurred for the acquisition of a subsidiary	361
PBT excluding expenses incurred for the acquisition of OFM	<u>920</u>

Precision engineering segment

Revenue from the precision engineering segment had increased by 37.5% as compared to previous year's corresponding period/quarter. The main important driver of the growth in this segment for the current period/quarter was due to the higher volume of orders received for new connector moulds from our customers. The connector market has slowly rebound from a downturn in 2012, and the broad use of connectors is a good indicator of a modest but broad high tech recovery.

Precision plastic injection moulding segment

Revenue for the precision plastic injection moulding segment declined significantly by 27.6% as compared to previous year's corresponding period/quarter. The decline was mainly attributable to the softness on the demand for plastic connector parts by our customers in the connector industry bringing down the growth of this segment, despite the slight recovery of the global economic condition. This segment was also affected by a major customer which reduce its orders as it needed to fill its own production capacities instead of outsourcing to our Group.



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B1. Performance review (continued)

Precision machining and stamping segment

Following the acquisition of a subsidiary as disclosed in Note A10, the Group expanded its business operations into the precision machining and stamping segment. In the current period/quarter, this segment contributed revenue of RM3.595 million and profit before tax of RM0.906 million to the Group. This segment operates in the electrical and electronic industries (“E&E”) providing components such as: (i) components for security instruments and power supply units, (ii) sensor components for security instruments and (iii) data and electrical transmission products, which consists of switches for E&E components. E&E industry is the leading industry within the manufacturing sector and it has been continuously growing at a rapid pace with the invention of innovative technologies and an ever-increasing customer inclination towards electronic goods and services. The positive growth in E&E industry is an advantage towards the performance of the precision machining and stamping segment.

Gross profit

Gross profit of the Group increased from RM0.756 million reported in the previous corresponding period/quarter to RM2.314 million achieved in the current period/quarter ended 31 March 2013. The increase in gross profit was mainly due to the slight recovery in the precision engineering segment as a result of favorable demand from our customers. Apart from that, the increase in gross profit was also attributable to the additional revenue contribution with higher gross profit margin from the precision machining and stamping segment.

B2. Comment on material change in profit before tax

The Group recorded a higher profit before tax of RM0.559 million for the current quarter as compared to a loss before tax of RM0.014 million registered in the preceding quarter ended 31 December 2012. The main reason attributable to the significant increase in profit before tax was due to the additional profit before tax contribution by the newly acquired precision machining and stamping segment, which contributed a total amount of RM0.906 million to the Group.

B3. Future prospects

The Board is of the opinion that the Group’s financial performance for year 2013 will improve as compared to the financial year 2012.

Following the completion of the acquisition of OFM, the Group is expected to benefit from the extra revenue and earnings contribution from OFM as well as the profit guarantee of RM5.500 million for the financial year ending 2013 from the vendors of OFM.

B4. Statement by the Board of Directors on revenue or profit estimate, forecast, projection or internal targets

The Group did not announce any revenue or profit estimate, forecast, projection or internal targets for the financial period ended 31 March 2013.



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B5. Variance of actual profit from profit forecast or shortfall in the profit guarantee (only applicable to the final quarter for corporations which have previously announced or disclosed a profit forecast or profit guarantee in a public document)

Not applicable.

B6. Income tax expense

	Current quarter RM'000	Period to date RM'000
Income tax	158	158
Deferred tax	48	48
	206	206

The effective tax rate of the Group was higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for income tax purposes.

B7. Status of corporate proposals

Save as disclosed below, there is no outstanding uncompleted corporate proposals as at the date of this quarterly report.

On 31 January 2012, the Company announced the commencement of the voluntary winding-up of its three wholly-owned subsidiaries, All Metro Technology Sdn Bhd, Falcon Furniture Industry Sdn Bhd and Venture Plastic Industries Sdn Bhd pursuant to Section 254(1)(b) of the Companies Act, 1965. At the date of this quarterly report, these subsidiaries are still in the process of liquidation.

B8. Borrowings and debt securities

The Group's loans and borrowings, all of which are secured as at the end of the reporting quarter were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bank loans	396	2,438	2,834
Finance lease liabilities	1,150	1,737	2,887
Other bank facilities	1,981	-	1,981
Bank overdraft	2,544	-	2,544
	6,071	4,175	10,246

Loans and borrowings denominated in currencies other than Ringgit Malaysia were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
United States Dollar	233	77	310
Indian Rupees	9	46	55



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B9. Material litigation

Save as disclosed below, 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.

ZDGP Technology Sdn Bhd (“Plaintiff”) vs OFM

On 21 September 2012, the Plaintiff commenced legal proceedings against OFM, at the High Court of Penang under suit no. [22NCVC-664-09/2012]. The Plaintiff is claiming for the amount of RM906,553.48, being the alleged amount outstanding for gold plating and passivation process services rendered to OFM, as well as interests and costs.

OFM's solicitors have filed a defence and counter-claim for OFM, praying that the Plaintiff's claim against OFM be dismissed with costs and counter-claiming against the Plaintiff for the sum of RM3,234,298.81, being general damages due to OFM for breach of contract, loss of goodwill and loss of reputation, interests and costs.

The matter came up for case management on 12 December 2012, 9 January 2013, 23 January 2013, 20 February 2013 and 1 April 2013 and has been fixed for trial on 26 July 2013 and 1 August 2013.

OFM's solicitors are of the view that OFM has a good chance of succeeding in its counter-claim, hence no further provision has been made in the financial statements.

B10. Dividends

The Directors do not recommend any dividend for the period under review.

B11. Earnings per share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the current quarter and financial period to date was 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	Period to date
Profit attributable to owners of the Company (RM'000)	371	371
Weighted average number of ordinary shares in issue (units)	218,676,120	218,676,120
Basic earnings per ordinary share (sen)	0.17	0.17

Diluted earnings per ordinary share

There is no dilution in the earnings per ordinary share of the Company for the current quarter and financial period to date as the average market price of the Company's ordinary shares was lower than the exercise price.



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B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the year ended 31 December 2012 was not qualified.

B13. Profit for the period

	Current quarter RM'000	Period to date RM'000
Profit for the period is arrived at after charging:		
Amortisation of prepaid lease payments	44	44
Depreciation of property, plant and equipment	799	799
Interest expense	94	94
	<hr/>	<hr/>
and after crediting:		
Gain on foreign exchange	65	65
Interest income	30	30
	<hr/>	<hr/>

Other than the above, there were no other income including investment income, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter and period ended 31 March 2013.

B14. Derivative financial instruments

During the financial period, the Group entered into forward foreign currency contracts to manage exposure to the fluctuations in foreign currency exchange rates.

There were no outstanding forward foreign currency contracts as at 31 March 2013.

Derivative financial instruments entered into by the Group are similar to those disclosed in the consolidated annual financial statements for the year ended 31 December 2012.

There is no change to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies.

B15. Fair value changes of financial liabilities

The Group does not have any financial liabilities that are measured at fair value through profit or loss (other than derivative financial instruments as disclosed in Note B14).



LNG RESOURCES BERHAD

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

B16. Realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with 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, was as follows:

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Total retained profits of LNG Resources Berhad and its subsidiaries:		
- Realised	34,829	25,978
- Unrealised	(2,180)	(1,332)
	<hr/>	<hr/>
	32,649	24,646
Less: Consolidation adjustments	(16,612)	(8,980)
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Total Group retained profits as per consolidated accounts	16,037	15,666