



# LNG RESOURCES BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Six months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	15,801	13,771	30,306	22,870
Cost of sales	(12,235)	(10,167)	(24,521)	(16,952)
Gross profit	3,566	3,604	5,785	5,918
Other income	130	354	399	523
Selling and distribution expenses	(68)	(133)	(144)	(210)
Administrative expenses	(1,725)	(1,816)	(3,431)	(3,226)
Other expenses	(48)	(65)	(227)	(426)
Operating profit	1,855	1,944	2,382	2,579
Interest income	24	20	43	50
Finance costs	(349)	(192)	(690)	(298)
Profit before tax	1,530	1,772	1,735	2,331
Income tax expense	(155)	(441)	(297)	(647)
Profit for the period	1,375	1,331	1,438	1,684
Other comprehensive income/(loss) for the period, net of tax <i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	(146)	9	(182)	(32)
Total comprehensive income for the period	1,229	1,340	1,256	1,652
Profit/(Loss) attributable to:				
Owners of the Company	1,363	1,390	1,386	1,761
Non-controlling interests	12	(59)	52	(77)
Profit for the period	1,375	1,331	1,438	1,684
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,219	1,405	1,204	1,734
Non-controlling interests	10	(65)	52	(82)
Total comprehensive income for the period	1,229	1,340	1,256	1,652



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

For the six months ended 30 June 2014 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Six months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Earnings per ordinary share attributable to owners of the Company (sen per share)				
Basic	0.56	0.58	0.58	0.77
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 30 June 2014

	30 June 2014 (Unaudited) RM'000	31 December 2013 (Audited) RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,576	39,581
Prepaid lease payments	2,199	2,251
Investment property	779	789
Goodwill	13,568	13,568
	<u>56,122</u>	<u>56,189</u>
<b>Current assets</b>		
Inventories	14,351	15,226
Trade and other receivables	12,466	14,991
Prepayments	1,008	310
Tax recoverable	772	313
Cash and bank balances	9,088	7,579
	<u>37,685</u>	<u>38,419</u>
<b>Total assets</b>	<u>93,807</u>	<u>94,608</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	24,199	24,199
Share premium	12,743	12,576
Other reserve	(1,826)	(1,826)
Translation reserve	(116)	66
Treasury shares	-	(567)
Retained earnings	23,911	22,525
<b>Equity attributable to owners of the Company</b>	<u>58,911</u>	<u>56,973</u>
<b>Non-controlling interests</b>	<u>109</u>	<u>57</u>
<b>Total equity</b>	<u>59,020</u>	<u>57,030</u>
<b>Non-current liabilities</b>		
Loans and borrowings	13,233	13,617
Deferred income on government grant	400	400
Deferred tax liabilities	2,474	2,439
	<u>16,107</u>	<u>16,456</u>
<b>Current liabilities</b>		
Trade and other payables	8,029	11,199
Derivative liability	-	7
Loans and borrowings	10,539	9,365
Income tax liabilities	112	551
	<u>18,680</u>	<u>21,122</u>
<b>Total liabilities</b>	<u>34,787</u>	<u>37,578</u>
<b>Total equity and liabilities</b>	<u>93,807</u>	<u>94,608</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.24</u>	<u>0.24</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 CHANGES IN EQUITY

For the six months ended 30 June 2014 - unaudited

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>At 1 January 2014</b>	24,199	12,576	(1,826)	66	(567)	22,525	56,973	57	57,030
Foreign currency translation differences for foreign operations	-	-	-	(182)	-	-	(182)	-	(182)
Other comprehensive income for the period	-	-	-	(182)	-	-	(182)	-	(182)
Profit for the period	-	-	-	-	-	1,386	1,386	52	1,438
Total comprehensive income for the period	-	-	-	(182)	-	1,386	1,204	52	1,256
Sale of treasury shares	-	167	-	-	567	-	734	-	734
Total transactions with owners	-	167	-	-	567	-	734	-	734
<b>At 30 June 2014</b>	24,199	12,743	(1,826)	(116)	-	23,911	58,911	109	59,020



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2014 - unaudited

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>At 1 January 2013</b>	18,982	5,828	-	(8)	(567)	15,666	39,901	32	39,933
Foreign currency translation differences for foreign operations	-	-	-	(27)	-	-	(27)	(5)	(32)
Other comprehensive income for the period	-	-	-	(27)	-	-	(27)	(5)	(32)
Profit for the period	-	-	-	-	-	1,761	1,761	(77)	1,684
Total comprehensive income for the period	-	-	-	(27)	-	1,761	1,734	(82)	1,652
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
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	119	119
<b>At 30 June 2013</b>	<b>24,199</b>	<b>12,576</b>	<b>(1,826)</b>	<b>(35)</b>	<b>(567)</b>	<b>17,427</b>	<b>51,774</b>	<b>69</b>	<b>51,843</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 six months ended 30 June 2014 – unaudited

	Six months ended 30 June	
	2014 RM'000	2013 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,735	2,331
Adjustments for:		
Amortisation of prepaid lease payments	53	53
Depreciation	2,423	1,828
Impairment loss on trade receivables	-	21
Loss on disposal of property, plant and equipment	180	-
Property, plant and equipment written off	-	4
Unrealised loss on foreign exchange	47	28
Unrealised loss on forward foreign currency contracts	-	12
Acquisition related costs	-	361
Interest expense	634	249
Interest income	(43)	(50)
<b>Operating profit before changes in working capital</b>	5,029	4,837
Changes in:		
Inventories	875	(1,439)
Trade and other receivables and prepayments	1,783	3,517
Trade and other payables	(2,275)	(378)
<b>Cash generated from operations</b>	5,412	6,537
Interest paid	(634)	(249)
Tax refunded	-	23
Tax paid	(1,157)	(649)
<b>Net cash from operating activities</b>	3,621	5,662
<b>Cash flows from investing activities</b>		
Interest received	51	57
Proceeds from disposal of property, plant and equipment	304	-
Purchase of property, plant and equipment	(3,206)	(1,613)
Acquisition related costs paid	-	(454)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(21,509)
<b>Net cash used in investing activities</b>	(2,851)	(23,519)
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(877)	(541)
Repayment of term loans	(1,867)	(302)
Net increase in other loans and borrowings	949	44
Drawdown of term loans	2,319	12,151
Proceeds from sale of treasury shares	734	-
Contribution of capital by non-controlling interests	-	119
Share issue expenses paid	-	(35)
<b>Net cash from financing activities</b>	1,258	11,436
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,028	(6,421)
Foreign currency translation differences	(164)	91
Cash and cash equivalents at 1 January	4,480	10,568
<b>Cash and cash equivalents at 30 June</b>	6,344	4,238



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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the six months ended 30 June 2014 – unaudited

	Six months ended 30 June	
	2014 RM'000	2013 RM'000
Cash and cash equivalents comprise of:		
Cash and bank balances	9,088	7,049
Bank overdrafts	(1,946)	(2,528)
Pledged deposits	(798)	(283)
	<u>6,344</u>	<u>4,238</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying notes attached to the interim financial statements.



# LNG RESOURCES BERHAD

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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 2013.

The consolidated financial statements of the Group for the year ended 31 December 2013 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 2013.

#### A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following MFRSs, Amendments and IC Interpretations:

*Effective for financial periods beginning on or after 1 January 2014*

- Amendments to MFRS 10 Consolidated Financial Statements : Investment Entities
- Amendments to MFRS 12 Disclosure of Interests in Other Entities : Investment Entities
- Amendments to MFRS 127 Separate Financial Statements : Investment Entities
- Amendments to MFRS 132 Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 Impairment of Assets : Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139 Financial Instruments : Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretations 21 Levies

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.





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## A5. Changes in estimates

There were no changes in estimates that have had a material effect for the period under review.

## 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 follows:

During the financial period, the Company re-issued 2,449,300 treasury shares by resale in the open market. The average resale price of the treasury shares was RM0.30 per share. The net proceeds from the resale were RM733,646 and the resulting surplus of RM166,738 was recognised in the share premium account.

Details of the resale of treasury shares were as follows:

	<b>Average resale price RM</b>	<b>Highest resale price RM</b>	<b>Lowest resale price RM</b>	<b>Number of treasury shares resold</b>	<b>Net consideration received RM</b>
14.04.2014	0.292	0.295	0.290	580,000	169,021
15.04.2014	0.304	0.305	0.300	1,500,000	454,212
17.04.2014	0.300	0.300	0.300	369,300	110,413

At 30 June 2014, the Company does not hold any treasury shares.

## A7. Dividends paid

There were no dividends paid during the period under review.

## 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.



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## A8. Segment information (continued)

Information in respect of the Group's reportable segments for the period ended 30 June 2014 was as follows:

	Precision engineering RM'000	Precision plastic injection moulding RM'000	Precision machining and stamping RM'000	Total RM'000
External revenue	6,863	8,477	14,966	30,306
Inter-segment revenue	251	-	-	251
Reportable segment profit	1,132	1,182	2,370	4,684
Reportable segment assets	24,673	13,116	41,812	79,601
Reportable segment liabilities	3,209	5,294	17,981	26,484

Reconciliation of reportable segment profit:

	Period ended 30 June 2014 RM'000
Total profit for reportable segments	4,684
Elimination of inter-segment profits	1,249
Depreciation and amortisation	(2,476)
Finance costs	(690)
Interest income	43
Unallocated corporate expenses	(1,075)
Consolidated profit before tax	1,735

## A9. Events after the end of the interim period

There were no events after the current period ended 30 June 2014 that has not been reflected in this quarterly report.

## A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current period ended 30 June 2014, save as disclosed below:

- Falcon Furniture Industry Sdn Bhd and Venture Plastic Industries Sdn Bhd, two wholly-owned subsidiaries of the Company, which commenced voluntary winding-up on 31 January 2012, and held their final meeting on 30 September 2013 were dissolved on 1 January 2014.
- All Metro Technology Sdn Bhd, a wholly-owned subsidiary of the Company, which commenced voluntary winding-up on 31 January 2012, and held its final meeting on 3 December 2013 was dissolved on 4 March 2014.



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

(c) On 1 April 2014, the Company incorporated a wholly-owned subsidiary in Singapore, Edaran Resources Pte. Ltd. ("ERPL"). The issued and paid-up capital of ERPL is SGD100.00 divided into 100 ordinary shares of SGD1.00 each. ERPL's business activities are to carry out research and experimental development on engineering and to carry out business and management consultancy services including procurement and distribution activities.

## A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and period ended 30 June 2014 were as follows:

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
Additions	1,111	2,934

## A12. Capital commitment

The Group has the following capital commitment in respect of property, plant and equipment as at 30 June 2014.

	<b>RM'000</b>
Contracted but not provided for	1,217

## 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.

## A14. Related party transactions

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

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
Accounting fee paid to a person connected to certain Directors of the Company	1	1



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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**

Overall, global activity has strengthened and the connector and semi-conductor industries' performance for the first half of 2014 have been strong over the same period in 2013.

#### **Financial performance**

The Group reported revenue of RM30.306 million for the current period ended 30 June 2014, representing an increase of 32.5% as compared to the prior corresponding period ended 30 June 2013. The growth in revenue was mainly attributable to the higher revenue contribution from both precision plastic injection moulding and precision machining and stamping segments due to the increase in orders secured by both segments.

The Group's profit before tax for the current period ended 30 June 2014 of RM1.735 million was lower as compared to RM2.331 million reported in the prior corresponding period ended 30 June 2013 despite an increase in revenue. The decline was principally due to increase in the sales of lower profit margin products by the precision machining and stamping segment. Apart from that, the decrease in profit before tax was also due to the lower revenue contribution by the precision engineering segment.

The Group achieved revenue of RM15.801 million for the current quarter ended 30 June 2014 as compared to the prior year corresponding quarter of RM13.771 million. The increase in revenue was mainly due to the increase revenue contribution from the precision plastic injection moulding segment. The Group recorded a profit before tax of RM1.530 million for the current quarter ended 30 June 2014 as compared to RM1.772 million recorded in the prior year corresponding quarter. The lower profit before tax was mainly due to lower profits generated by the precision machining and stamping segment.

#### **Precision engineering segment**

Revenue for the current quarter increased by 8.6% as compared to last year corresponding quarter. The increase in the revenue was mainly due to increase in orders for new connector moulds and connector parts. Revenue for the six months period ended 30 June 2014 declined by 6.0% as compared to previous year's corresponding period due to low orders in the first quarter of 2014.

#### **Precision plastic injection moulding segment**

Revenue from the precision plastic injection moulding segment for the current period and quarter ended 30 June 2014 increased significantly by 86.4% and 84.0% respectively as compared to previous year's corresponding period. Revenue from this segment has increased significantly due to additional orders secured for its over moulding services.

#### **Precision machining and stamping segment**

Revenue from the precision machining and stamping segment for the current period ended 30 June 2014 increased by 35.8% as compared to previous year's corresponding period. In the previous year's corresponding period, this segment started to contribute revenue to the Group since its acquisition on 8 February 2013. Thus, the revenue contribution in the current period is considerably higher as compared to the previous year's corresponding period. For the current quarter, revenue has dropped slightly by 3.7% as compared to last year corresponding quarter.



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## B1. Performance review (continued)

### Gross profit

The Group's gross profit for the current quarter and period ended 30 June 2014 amounted to RM3.566 million and RM5.785 million respectively.

Despite the increase in Group's revenue, the gross profit has declined slightly mainly due to the increase in the revenue contribution from lower profit margin products generated by the precision machining and stamping segment coupled with the lower revenue contribution by the precision engineering segment whilst its production overheads were mainly fixed and semi-variable.

## B2. Comment on material change in profit before tax

The Group's profit before tax for the current quarter ended 30 June 2014 increased significantly to RM1.530 million as compared to RM0.205 million achieved in the preceding quarter ended 31 March 2014. The significant increase in profit before tax was in tandem with the increase in revenue and improved in profit margins for sales in the current quarter.

## B3. Future prospects

The Group remains cautious on the overall outlook for financial year ending 2014.

The global economy is expected to see an upturn growth in 2014 as a whole. Nonetheless, the recovery is affected by increasing structural challenges in the emerging markets and the uncertainty arising from geopolitical crisis.

Premised on the above, the Board of Directors is of the opinion that the outlook remained challenging for the second half of 2014.

## 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 30 June 2014.

## 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	113	262
Deferred tax	42	35
	<u>155</u>	<u>297</u>

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

## B7. Status of corporate proposals

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



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## B8. Borrowings and debt securities

The Group's loans and borrowings as at the end of the reporting quarter were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
<b>Secured</b>			
Term loans	2,930	11,806	14,736
Finance lease liabilities	1,250	1,427	2,677
Other bank facilities	4,358	-	4,358
Bank overdraft	1,946	-	1,946
<b>Unsecured</b>			
Term loans	55	-	55
	<u>10,539</u>	<u>13,233</u>	<u>23,772</u>

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	1,343	118	1,461
Indian Rupees	10	31	41

## 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 Oriental Fastech Manufacturing Sdn Bhd ("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 Plaintiff then filed an application to amend its Writ and Statement Claim. The case has been fixed for trials on 16 October 2014 and 17 October 2014.

OFM's solicitors are of the view that OFM has a fairly 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.



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## 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:

	<b>Current quarter</b>	<b>Period to date</b>
Profit attributable to owners of the Company (RM'000)	1,363	1,386
Weighted average number of ordinary shares in issue (units)	241,639,435	240,586,776
<b>Basic earnings per ordinary share (sen)</b>	<u>0.56</u>	<u>0.58</u>

### *Diluted earnings per ordinary share*

Not applicable.

## B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the year ended 31 December 2013 was not qualified.

## B13. Profit for the period

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
<b>Profit for the period is arrived at after charging:</b>		
Amortisation of prepaid lease payments	27	53
Depreciation	1,246	2,423
Loss on disposal of property, plant and equipment	2	180
Interest expense	316	634
	<u>          </u>	<u>          </u>
<b>and after crediting:</b>		
Gain on foreign exchange	(33)	145
Gain on derivatives	-	2
Interest income	24	43
	<u>          </u>	<u>          </u>

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 and exceptional items for the current quarter and period ended 30 June 2014.



# LNG RESOURCES BERHAD

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

## B14. Derivative financial instruments

During the financial year, 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 30 June 2014.

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 2013.

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).

## 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 30 June 2014 RM'000	As at 31 December 2013 RM'000
Total retained profits of LNG Resources Berhad and its subsidiaries:		
- Realised	41,379	41,472
- Unrealised	(2,664)	(2,362)
	<hr/> 38,715	<hr/> 39,110
Less: Consolidation adjustments	(14,804)	(16,585)
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 23,911	<hr/> <hr/> 22,525