



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2014 - unaudited

	Current quarter Three months ended 30 September		Cumulative quarter Nine months ended 30 September	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	13,551	14,394	43,857	37,264
Cost of sales	(12,318)	(10,415)	(36,839)	(27,367)
Gross profit	1,233	3,979	7,018	9,897
Other income	159	685	558	1,208
Selling and distribution expenses	(82)	(123)	(226)	(333)
Administrative expenses	(1,713)	(2,057)	(5,144)	(5,283)
Other expenses	52	(16)	(175)	(442)
Operating profit/(loss)	(351)	2,468	2,031	5,047
Interest income	22	30	65	80
Finance costs	(342)	(333)	(1,032)	(631)
Profit/(Loss) before tax	(671)	2,165	1,064	4,496
Income tax expense	(33)	(514)	(330)	(1,161)
Profit/(Loss) for the period	(704)	1,651	734	3,335
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	87	27	(95)	(5)
Total comprehensive income/(loss) for the period	(617)	1,678	639	3,330
Profit/(Loss) attributable to:				
Owners of the Company	(677)	1,658	709	3,419
Non-controlling interests	(27)	(7)	25	(84)
Profit/(Loss) for the period	(704)	1,651	734	3,335
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(590)	1,689	614	3,423
Non-controlling interests	(27)	(11)	25	(93)
Total comprehensive income/(loss) for the period	(617)	1,678	639	3,330



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

For the nine months ended 30 September 2014 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Nine months ended	
	30 September		30 September	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen per share)				
Basic	(0.28)	0.69	0.29	1.47
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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	30 September 2014 (Unaudited) RM'000	31 December 2013 (Audited) RM'000
Assets		
Non-current assets		
Property, plant and equipment	40,047	39,581
Prepaid lease payments	2,172	2,251
Investment property	774	789
Goodwill	13,568	13,568
	<u>56,561</u>	<u>56,189</u>
Current assets		
Inventories	13,806	15,226
Trade and other receivables	11,660	14,991
Prepayments	749	310
Tax recoverable	1,064	313
Cash and bank balances	9,094	7,579
	<u>36,373</u>	<u>38,419</u>
Total assets	<u>92,934</u>	<u>94,608</u>
Equity and liabilities		
Equity		
Share capital	24,199	24,199
Share premium	12,743	12,576
Other reserve	(1,826)	(1,826)
Translation reserve	(29)	66
Treasury shares	-	(567)
Retained earnings	23,234	22,525
Equity attributable to owners of the Company	<u>58,321</u>	<u>56,973</u>
Non-controlling interests	<u>82</u>	<u>57</u>
Total equity	<u>58,403</u>	<u>57,030</u>
Non-current liabilities		
Loans and borrowings	12,606	13,617
Deferred income on government grant	400	400
Deferred tax liabilities	2,462	2,439
	<u>15,468</u>	<u>16,456</u>
Current liabilities		
Trade and other payables	8,043	11,199
Derivative liability	5	7
Loans and borrowings	10,886	9,365
Income tax liabilities	129	551
	<u>19,063</u>	<u>21,122</u>
Total liabilities	<u>34,531</u>	<u>37,578</u>
Total equity and liabilities	<u>92,934</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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2014 - 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 2014	24,199	12,576	(1,826)	66	(567)	22,525	56,973	57	57,030
Foreign currency translation differences for foreign operations	-	-	-	(95)	-	-	(95)	-	(95)
Other comprehensive income for the period	-	-	-	(95)	-	-	(95)	-	(95)
Profit for the period	-	-	-	-	-	709	709	25	734
Total comprehensive income for the period	-	-	-	(95)	-	709	614	25	639
Sale of treasury shares	-	167	-	-	567	-	734	-	734
Total transactions with owners	-	167	-	-	567	-	734	-	734
At 30 September 2014	24,199	12,743	(1,826)	(29)	-	23,234	58,321	82	58,403



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the nine months ended 30 September 2014 - 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	-	-	-	4	-	-	4	(9)	(5)
Other comprehensive income for the period	-	-	-	4	-	-	4	(9)	(5)
Profit for the period	-	-	-	-	-	3,419	3,419	(84)	3,335
Total comprehensive income for the period	-	-	-	4	-	3,419	3,423	(93)	3,330
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
At 30 September 2013	24,199	12,576	(1,826)	(4)	(567)	19,085	53,463	58	53,521

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 nine months ended 30 September 2014 – unaudited

	Nine months ended 30 September	
	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Profit before tax	1,064	4,496
Adjustments for:		
Amortisation of prepaid lease payments	79	79
Depreciation	3,763	2,884
Impairment loss on trade receivables	-	21
Loss/(Gain) on disposal of property, plant and equipment	170	(2)
Property, plant and equipment written off	-	4
Unrealised loss/(gain) on foreign exchange	(105)	28
Unrealised loss on forward foreign currency contracts	5	-
Reversal of impairment loss on loans and receivables	-	(109)
Acquisition related costs	-	361
Interest expense	948	557
Interest income	(65)	(80)
Operating profit before changes in working capital	5,859	8,239
Changes in:		
Inventories	1,420	(3,156)
Trade and other receivables and prepayments	2,975	5,046
Trade and other payables	(2,485)	637
Cash generated from operations	7,769	10,766
Interest paid	(948)	(557)
Tax refunded	-	35
Tax paid	(1,468)	(1,066)
Net cash from operating activities	5,353	9,178
Cash flows from investing activities		
Interest received	73	86
Proceeds from disposal of property, plant and equipment	314	2
Purchase of property, plant and equipment	(4,457)	(2,968)
Placement of pledged deposits	(27)	(500)
Acquisition related costs paid	-	(474)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(21,509)
Net cash used in investing activities	(4,097)	(25,363)
Cash flows from financing activities		
Repayment of finance lease liabilities	(1,223)	(964)
Repayment of term loans	(2,622)	(818)
Net increase in other loans and borrowings	710	292
Drawdown of term loans	2,319	12,155
Proceeds from sale of treasury shares	734	-
Contribution of capital by non-controlling interests	-	119
Share issue expenses paid	-	(35)
Net cash from/(used in) financing activities	(82)	10,749
Net increase/(decrease) in cash and cash equivalents	1,174	(5,436)
Foreign currency translation differences	(47)	123
Cash and cash equivalents at 1 January	4,480	10,568
Cash and cash equivalents at 30 September	5,607	5,255



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the nine months ended 30 September 2014 – unaudited

	Nine months ended 30 September	
	2014 RM'000	2013 RM'000
Cash and cash equivalents comprise of:		
Cash and bank balances	9,094	7,616
Bank overdrafts	(2,662)	(1,574)
Pledged deposits	(825)	(787)
	<u>5,607</u>	<u>5,255</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.



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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:

	Average resale price RM	Highest resale price RM	Lowest resale price RM	Number of treasury shares resold	Net consideration received RM
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 September 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 September 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	9,462	12,284	22,111	43,857
Inter-segment revenue	468	-	-	468
Reportable segment profit	1,489	1,651	2,542	5,682
Reportable segment assets	24,305	12,769	41,077	78,151
Reportable segment liabilities	3,173	4,713	17,968	25,854

Reconciliation of reportable segment profit:

	Period ended 30 September 2014 RM'000
Total profit for reportable segments	5,682
Elimination of inter-segment profits	1,843
Depreciation and amortisation	(3,842)
Finance costs	(1,032)
Interest income	65
Unallocated corporate expenses	(1,652)
Consolidated profit before tax	1,064

A9. Events after the end of the interim period

There were no events after the current period ended 30 September 2014 that has not been reflected in this quarterly report save as on 10 October 2014, the Company acquired the entire issued and paid up capital of Edaran Interconnect Sdn. Bhd. ("EISB") and Orifast Connectors Sdn. Bhd. ("OCSB") at a purchase consideration of RM2.00 each.

Consequently, EISB and OCSB have become the wholly-owned subsidiaries of the Company.

EISB has an authorised capital of RM400,000.00, divided into 400,000 ordinary shares of RM1.00 each and as at the date of this announcement, the issued and paid up capital of EISB is RM2.00. EISB's intended activities are to design, fabricate and testing of precision moulds, tools and dies for aerospace, medical, automotive and electrical and electronics industries.

OCSB has an authorised capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each and as at the date of this announcement, the issued and paid up capital of OCSB is RM2.00. OCSB's intended activities are to manufacture and distribute connectors and contacts.



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A10. Changes in the composition of the Group

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

- (a) 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.
- (b) 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.
- (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 September 2014 were as follows:

	Current quarter RM'000	Period to date RM'000
Additions	1,776	4,710

A12. Capital commitment

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

	RM'000
Contracted but not provided for	826

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:

	Current quarter RM'000	Period to date RM'000
Accounting fee paid to a person connected to certain Directors of the Company	3	4



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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

An uneven global recovery has continued and for the nine months period 2014, despite global activity has strengthened, the recovery is weaker than expected.

Financial performance

The Group reported revenue of RM43.857 million for the current period ended 30 September 2014, representing an increase of 17.7% as compared to the prior corresponding period ended 30 September 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 September 2014 of RM1.064 million was significantly lower as compared to RM4.496 million reported in the prior corresponding period ended 30 September 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 RM13.551 million for the current quarter ended 30 September 2014 as compared to the prior year corresponding quarter of RM14.394 million. The decrease was mainly attributable to the decrease in revenue contribution from the precision engineering segment. As a result of the drop in revenue and sale in lower margin products in the current quarter, the Group recorded a loss before tax of RM0.671 million as compared to a profit before tax of RM2.165 million in the prior year corresponding quarter.

Precision engineering segment

Revenue for the current period and quarter decreased by 20.1% and 42.8% respectively as compared to last year corresponding period. The significant decline in revenue was mainly due to low orders for new connector moulds and connector parts.

Precision plastic injection moulding segment

Revenue from the precision plastic injection moulding segment for the current period and quarter ended 30 September 2014 increased by 64.9% and 31.2% 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 September 2014 increased by 23.0% 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 increased slightly by 2.8% 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 September 2014 amounted to RM1.233 million and RM7.018 million respectively.

Despite the increase in Group's revenue, the gross profit has declined 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 recorded a loss before tax of RM0.671 million in the current quarter as compared to a profit before tax of RM1.530 million achieved in the preceding quarter ended 30 June 2014. The significant decline in profit before tax was in tandem with the drop in revenue for 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. However, the recovery may be affected by the uncertainty arising from geopolitical tensions, volatility compression in financial markets, stagnation and low potential growth in advance economies and decline in potential growth in emerging markets.

Premised on the above, the Board of Directors is of the opinion that the outlook remained challenging for 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 September 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	45	307
Deferred tax	(12)	23
	<u>33</u>	<u>330</u>

The effective tax rate of the Group is higher than the statutory tax rate of 25% mainly due to losses of certain subsidiaries cannot be set off against taxable profits generated by the other subsidiaries and certain expenses which were not deductible for income tax purposes.



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B7. Status of corporate proposals

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

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
<i>Secured</i>			
Term loans	2,866	11,130	13,996
Finance lease liabilities	1,199	1,476	2,675
Other bank facilities	4,120	-	4,120
Bank overdraft	2,662	-	2,662
<i>Unsecured</i>			
Term loans	39	-	39
	<u>10,886</u>	<u>12,606</u>	<u>23,492</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	1,322	93	1,415
Indian Rupees	10	28	38
	<u>1,332</u>	<u>121</u>	<u>1,453</u>

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.

On 21 October 2014, both parties have withdrawn the above matter and that the following terms have been recorded by the court as part of the settlement between the parties:

- the Plaintiff withdraws its claim against OFM with no order as to costs.
- OFM withdraws its counter-claim against the Plaintiff with no order as to costs.
- the Plaintiff shall have no claim against any third parties whether or not referred to in the pleadings, arising from or in connection with the subject matter of the above claim.
- all orders obtained by OFM against the Plaintiff in relation to the Mareva Injunction dated 1 April 2014; security for costs dated 15 October 2014 and the leave to for an order of committal obtained against the directors of the Plaintiff on 2 October 2014, are withdrawn and both parties shall have no claim arising from those orders.



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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/(Loss) attributable to owners of the Company (RM'000)	(677)	709
Weighted average number of ordinary shares in issue (units)	241,994,985	241,061,337
Basic earnings/(loss) per ordinary share (sen)	(0.28)	0.29

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

	Current quarter RM'000	Period to date RM'000
Profit for the period is arrived at after charging:		
Amortisation of prepaid lease payments	26	79
Depreciation	1,340	3,763
Loss/(Gain) on disposal of property, plant and equipment	(10)	170
Loss on derivatives	6	4
Interest expense	314	948
and after crediting:		
Gain on foreign exchange	73	218
Interest income	22	65

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 September 2014.



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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.

As at 30 September 2014, the Group's outstanding forward foreign currency contracts, all of which had maturity of less than one year, was as follows:

	Contract value RM'000	Net fair value - gain/(loss) RM'000
Forward foreign currency contracts	323	(5)

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 September 2014 RM'000	As at 31 December 2013 RM'000
Total retained profits of LNG Resources Berhad and its subsidiaries:		
- Realised	40,529	41,472
- Unrealised	(2,524)	(2,362)
	38,005	39,110
Less: Consolidation adjustments	(14,771)	(16,585)
Total Group retained profits as per consolidated accounts	23,234	22,525