



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 2015 - unaudited

	Current quarter Three months ended 31 March		Cumulative quarter Three months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	13,216	14,505	13,216	14,505
Cost of sales	(12,072)	(12,286)	(12,072)	(12,286)
Gross profit	1,144	2,219	1,144	2,219
Other income	989	269	989	269
Selling and distribution expenses	(89)	(76)	(89)	(76)
Administrative expenses	(1,947)	(1,706)	(1,947)	(1,706)
Other expenses	(4)	(179)	(4)	(179)
Operating profit	93	527	93	527
Interest income	19	19	19	19
Finance costs	(353)	(341)	(353)	(341)
Profit/(Loss) before tax	(241)	205	(241)	205
Income tax expense	(287)	(142)	(287)	(142)
Profit/(Loss) for the period	(528)	63	(528)	63
Other comprehensive income 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	218	(36)	218	(36)
Total comprehensive income/(loss) for the period	(310)	27	(310)	27
Profit/(Loss) attributable to:				
Owners of the Company	(536)	23	(536)	23
Non-controlling interests	8	40	8	40
Profit/(Loss) for the period	(528)	63	(528)	63
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(324)	(15)	(324)	(15)
Non-controlling interests	14	42	14	42
Total comprehensive income/(loss) for the period	(310)	27	(310)	27



LNG RESOURCES BERHAD

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

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

For the three months ended 31 March 2015 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	31 March		31 March	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen per share)				
Basic	(0.22)	0.01	(0.22)	0.01
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2015

	31 March 2015 (Unaudited) RM'000	31 December 2014 (Audited) RM'000
Assets		
Non-current assets		
Property, plant and equipment	40,267	40,143
Prepaid lease payments	2,120	2,146
Investment property	764	770
Deferred tax assets	41	50
Goodwill	13,568	13,568
	<u>56,760</u>	<u>56,677</u>
Current assets		
Inventories	11,296	11,858
Trade and other receivables, including derivatives	12,057	13,466
Prepayments	529	283
Tax recoverable	574	754
Cash and bank balances	9,614	9,799
	<u>34,070</u>	<u>36,160</u>
Total assets	<u>90,830</u>	<u>92,837</u>
Equity and liabilities		
Equity		
Share capital	24,199	24,199
Share premium	12,743	12,743
Other reserve	(1,826)	(1,826)
Translation reserve	451	239
Retained earnings	22,421	22,957
Equity attributable to owners of the Company	<u>57,988</u>	<u>58,312</u>
Non-controlling interests	<u>91</u>	<u>77</u>
Total equity	<u>58,079</u>	<u>58,389</u>
Non-current liabilities		
Loans and borrowings	11,349	12,001
Deferred income on government grant	213	353
Deferred tax liabilities	2,138	2,152
	<u>13,700</u>	<u>14,506</u>
Current liabilities		
Trade and other payables	6,801	8,447
Loans and borrowings	12,240	11,442
Income tax liabilities	10	53
	<u>19,051</u>	<u>19,942</u>
Total liabilities	<u>32,751</u>	<u>34,448</u>
Total equity and liabilities	<u>90,830</u>	<u>92,837</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 2014 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the three months ended 31 March 2015 - 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 2015	24,199	12,743	(1,826)	239	-	22,957	58,312	77	58,389
Foreign currency translation differences for foreign operations	-	-	-	212	-	-	212	6	218
Other comprehensive income for the year Profit/(Loss) for the period	-	-	-	212	-	-	212	6	218
	-	-	-	-	-	(536)	(536)	8	(528)
Total comprehensive income/(loss) for the period	-	-	-	212	-	(536)	(324)	14	(310)
At 31 March 2015	24,199	12,743	(1,826)	451	-	22,421	57,988	91	58,079



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the three months ended 31 March 2015 - 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	-	-	-	(38)	-	-	(38)	2	(36)
Other comprehensive income/(loss) for the period	-	-	-	(38)	-	-	(38)	2	(36)
Profit for the period	-	-	-	-	-	23	23	40	63
Total comprehensive income/(loss) for the period	-	-	-	(38)	-	23	(15)	42	27
At 31 March 2014	24,199	12,576	(1,826)	28	(567)	22,548	56,958	99	57,057

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2015 – unaudited

	Three months ended 31 March	
	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit before tax	(241)	205
Adjustments for:		
Amortisation of prepaid lease payments	26	26
Depreciation	1,390	1,177
Loss/(Gain) on disposal of property, plant and equipment	3	178
Amortisation of deferred income	(140)	-
Unrealised gain on foreign exchange	(326)	1
Interest expense	324	318
Interest income	(19)	(19)
Operating profit before changes in working capital	1,017	1,886
Changes in:		
Inventories	562	934
Trade and other receivables and prepayments	1,503	897
Trade and other payables	(1,334)	(1,663)
Cash generated from operations	1,748	2,054
Interest paid	(324)	(318)
Tax refunded	47	-
Tax paid	(199)	(474)
Net cash from operating activities	1,272	1,262
Cash flows from investing activities		
Interest received	19	23
Proceeds from disposal of property, plant and equipment	-	304
Purchase of property, plant and equipment	(1,224)	(2,523)
Placement of pledged deposits	(5)	-
Net cash used in investing activities	(1,210)	(2,196)
Cash flows from financing activities		
Repayment of finance lease liabilities	(363)	(548)
Repayment of term loans	(1,141)	(589)
Net increase in other loans and borrowings	455	382
Drawdown of term loans	863	1,266
Net cash from/(used in) financing activities	(186)	511
Net increase/(decrease) in cash and cash equivalents	(124)	(423)
Foreign currency translation differences	92	(71)
Cash and cash equivalents at 1 January	6,305	4,480
Cash and cash equivalents at 31 March	6,273	3,986
Cash and cash equivalents comprise of:		
Cash and bank balances	9,614	7,788
Bank overdrafts	(2,524)	(3,004)
Pledged deposits	(817)	(798)
	6,273	3,986

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying notes attached to the interim financial statements.



LNG RESOURCES BERHAD

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

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 2014.

The consolidated financial statements of the Group for the year ended 31 December 2014 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 2014.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, except for the adoption of the following MFRSs, Amendments and/or IC Interpretations:

Effective for financial periods beginning on or after 1 January 2015

- Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2010 - 2012 Cycle”
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2011 - 2013 Cycle”

The Directors expect that the adoption of the above MFRSs, Amendments and/or 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.



LNG RESOURCES BERHAD

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

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.

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.

Information in respect of the Group's reportable segments for the period ended 31 March 2015 was as follows:

	Precision engineering RM'000	Precision plastic injection moulding RM'000	Precision machining and stamping RM'000	Total RM'000
External revenue	2,524	4,087	6,605	13,216
Inter-segment revenue	348	-	4	352
Reportable segment profit	969	174	416	1,559
Reportable segment assets	23,811	12,487	40,156	76,454
Reportable segment liabilities	4,270	4,184	18,528	26,982



LNG RESOURCES BERHAD

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

A8. Segment information (continued)

Reconciliation of reportable segment profit:

	Period ended 31 March 2015 RM'000
Total profit for reportable segments	1,559
Elimination of inter-segment profits	380
Depreciation and amortisation	(1,416)
Finance costs	(353)
Interest income	19
Unallocated corporate expenses	(430)
	<hr/>
Consolidated loss before tax	(241)
	<hr/> <hr/>

A9. Events after the end of the interim period

There were no events after the current period ended 31 March 2015 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 31 March 2015.

A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and period ended 31 March 2015 were as follows:

	Current quarter RM'000	Period to date RM'000
Additions	1,303	1,303
	<hr/>	<hr/>

A12. Capital commitment

The Group has the following capital commitment in respect of property, plant and equipment as at 31 March 2015.

	RM'000
Contracted but not provided for	914
	<hr/>

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.



LNG RESOURCES BERHAD

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

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	4	4
	<hr/>	<hr/>



LNG RESOURCES BERHAD

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

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

B1. Performance review

Operating environment

During the first quarter of 2015, there is a mixture of diverging performances in the global economy. The US economy is on a strong growth path, China is slowing and Europe faces continuing uncertainty.

Overall, our Group operates in a challenging environment in the first quarter of 2015 despite the gain in the value of the dollar.

Financial performance

The Group achieved revenue of RM13.216 million for the current period/quarter ended 31 March 2015 as compared to the prior year corresponding period/quarter of RM14.505 million. The decrease was mainly attributable to the decrease in revenue contribution from the precision machining and stamping 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 RM0.241 million as compared to a profit before tax of RM0.205 million in the prior year corresponding period/quarter.

Precision engineering segment

Revenue for the current period/quarter of RM2.524 million approximated revenue of RM2.500 million in the last year corresponding period/quarter.

Precision plastic injection moulding segment

Revenue from the precision plastic injection moulding segment for the current period/quarter ended 31 March 2015 decreased marginally by 2.5% as compared to previous year's corresponding period/quarter.

Precision machining and stamping segment

Revenue from the precision machining and stamping segment for the current period/quarter ended 31 March 2015 dropped by 15.5% as compared to previous year's corresponding period/quarter mainly due to decline in orders from a major customer during the financial quarter.

Gross profit

The Group's gross profit for the current period/quarter ended 31 March 2015 amounted to RM1.144 million, which was 48.4% lower compared to the previous year's corresponding period/quarter of RM2.219 million. The decline in gross profit was mainly attributable to the lower revenue recorded in the current period/quarter.

Gross profit margin for the precision machining and stamping segment and the precision plastic injection moulding segment have dropped compared to last year corresponding quarter mainly due to decline in revenue and sale of lower profit margin products.



LNG RESOURCES BERHAD

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

B2. Comment on material change in profit before tax

There is no material variance noted in the loss before tax of the Group. The Group recorded a loss before tax of RM0.241 million in the current quarter as compared to a loss before tax of RM0.453 million achieved in the preceding quarter ended 31 December 2014.

B3. Future prospects

The general business environment remained tough and uncertain in 2015 due to the uncertainty in the global economy.

Premised on the above, the Group remained cautious on the overall outlook for financial year ending 2015.

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 2015.

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	288	288
Deferred tax	(1)	(1)
	287	287

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

B7. Status of corporate proposals

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



LNG RESOURCES BERHAD

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

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	3,520	9,762	13,282
Finance lease liabilities	1,289	1,587	2,876
Other bank facilities	4,907	-	4,907
Bank overdraft	2,524	-	2,524
	<u>12,240</u>	<u>11,349</u>	<u>23,589</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	1,399	44	1,443
Indian Rupees	11	26	37

B9. Material litigation

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.

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 year 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
Loss attributable to owners of the Company (RM'000)	(536)	(536)
Weighted average number of ordinary shares in issue (units)	241,994,985	241,994,985
Basic loss per ordinary share (sen)	<u>(0.22)</u>	<u>(0.22)</u>

Diluted earnings per ordinary share

Not applicable.



LNG RESOURCES BERHAD

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

B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the year ended 31 December 2014 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	26
Depreciation	1,390	1,390
Loss on disposal of property, plant and equipment	3	3
Interest expense	324	324
	<hr/>	<hr/>
and after crediting:		
Gain on foreign exchange	800	800
Amortisation of deferred income	140	140
Interest income	19	19
	<hr/> <hr/>	<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 and exceptional items for the current quarter and period ended 31 March 2015.

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 2015.

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 2014.

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 2015 RM'000	As at 31 December 2014 RM'000
Total retained profits of LNG Resources Berhad and its subsidiaries:		
- Realised	39,905	39,445
- Unrealised	(1,875)	(1,723)
	<hr/> 38,030	<hr/> 37,722
Less: Consolidation adjustments	(15,609)	(14,765)
Total Group retained profits as per consolidated accounts	<hr/> 22,421	<hr/> 22,957