

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the third quarter ended 30/9/2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended	Preceding year corresponding quarter ended	Current year to date	Preceding year corresponding period
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30/9/12	30/9/11	30/9/12	30/9/11
	RM'000	RM'000	RM'000	RM'000
Revenue	40,179	18,853	93,587	53,291
Cost Of Sales	(37,008)	(14,426)	(83,158)	(41,403)
Gross Profit	3,171	4,427	10,429	11,888
Other Income	287	168	463	858
Distribution Costs	(1,517)	(1,423)	(4,320)	(4,078)
Administrative Expenses	(888)	(756)	(2,996)	(2,389)
Other Expenses	(9)	(97)	(83)	(269)
Finance Costs	(572)	(262)	(1,602)	(820)
Share of loss of associates	-	-	-	-
Profit Before Tax	472	2,057	1,891	5,190
Income tax Expense	(448)	(657)	(1,348)	(1,978)
Profit For The Period	24	1,400	543	3,212
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	24	1,400	543	3,212
Attributable to:				
Equity Holders Of The				
Parent	307	1,400	1,165	3,212
Non-Controlling Interest	(283)	-	(622)	-
Total Comprehensive Income For The Period	24	1,400	543	3,212
EPS - Basic (sen)	0.17	0.79	0.66	1.80
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 30/9/12 RM'000	As at preceding financial year end 31/12/11 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	68,240	46,865
Intangible Assets	8,134	-
Deferred tax assets	143	143
	<u>76,517</u>	<u>47,008</u>
Current Assets		
Inventories	33,120	36,806
Trade receivables	19,649	17,510
Other receivables	3,357	3,900
Tax assets	1,837	1,777
Cash and bank balances	8,082	6,826
	<u>66,045</u>	<u>66,819</u>
Total Assets	<u>142,562</u>	<u>113,827</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(4,464)	(4,464)
Other reserves	5,178	5,178
Retained earnings	41,375	40,210
	<u>91,289</u>	<u>90,124</u>
Non-controlling interests	732	-
Total equity	<u>92,021</u>	<u>90,124</u>
Non Current Liabilities		
Long term borrowings	22,620	8,226
Deferred tax liabilities	2,364	2,382
	<u>24,984</u>	<u>10,608</u>
Current Liabilities		
Trade and other payables	7,881	4,253
Short term provisions	326	326
Short term borrowings	17,150	8,516
Current tax payables	200	-
	<u>25,557</u>	<u>13,095</u>
Total Liabilities	<u>50,541</u>	<u>23,703</u>
Total Equity And Liabilities	<u>142,562</u>	<u>113,827</u>
Net Assets Per Share (RM)	0.52	0.51

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<u>Cumulative quarter ended 30/9/2012-Unaudited</u>							
At 01/01/2012	49,200	(4,464)	5,178	40,210	90,124	-	90,124
Non-controlling interest at acquisition date	-	-	-	-	-	1,354	1,354
Profit for the period	-	-	-	1,165	1,165	(622)	543
Repurchase of own shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
At 30/9/2012	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>41,375</u>	<u>91,289</u>	<u>732</u>	<u>92,021</u>
<u>Cumulative quarter ended 30/9/2011</u>							
At 01/01/2011	49,200	(4,063)	5,178	38,120	88,435	-	88,435
Profit for the period	-	-	-	3,212	3,212	-	3,212
Repurchase of own shares	-	(401)	-	-	(401)	-	(401)
Dividends	-	-	-	(1,906)	(1,906)	-	(1,906)
At 30/9/2011	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>39,426</u>	<u>89,340</u>	<u>-</u>	<u>89,340</u>

(The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/9/12 (Unaudited) RM'000	Cumulative quarter ended 30/9/11 (Unaudited) RM'000
Profit before tax	1,891	5,190
Adjustment for non-cash flow:-		
Non-cash items	2,788	1,177
Non-operating items (which are investing/financing)	1,454	668
Operating profit before changes in working capital	<u>6,133</u>	<u>7,035</u>
Changes in working capital		
Net change in inventories	3,686	(4,265)
Net change in receivables	(574)	(463)
Net change in payables	3,774	(772)
Cash flows from operation	<u>13,019</u>	<u>1,535</u>
Tax paid	(1,227)	(1,620)
Interest paid	<u>(1,479)</u>	<u>(692)</u>
Net cash generated from/(used in) operating activities	<u>10,313</u>	<u>(777)</u>
Investing Activities		
Interest received	25	24
Proceed from disposal of property, plant and equipment	1	3,187
Purchase of property, plant and equipment	(8,610)	(2,518)
Acquisition of subsidiary	(10,240)	-
Net cash (used in)/ generated from investing activities	<u>(18,824)</u>	<u>693</u>
Financing Activities		
Proceeds from borrowings	54,005	16,170
Repayment of borrowings	(44,700)	(17,102)
Repurchase of own shares	-	(400)
Net cash generated from/(used in) financing activities	<u>9,305</u>	<u>(3,238)</u>
Net Change in Cash & Cash Equivalents	794	(3,322)
Cash & Cash Equivalents at beginning of the period	5,702	5,998
Cash & Cash Equivalents at end of the period	<u>6,496</u>	<u>2,676</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,023	3,309
Cash and bank balances	<u>5,473</u>	<u>(633)</u>
	<u>6,496</u>	<u>2,676</u>

(The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying notes attached to these interim financial statements)

NOTES TO THE QUARTERLY RESULTS**1. Accounting policies**

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134 - Interim Financial Reporting, IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

This Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysia Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. However, the transition from FRS to MFRS does not have any material financial impact to the Group.

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation does not have any effect on the financial performance and financial position of the Group and of the Company.

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2. Seasonality and cyclicity of operations

The Group's operations for the current quarter and financial year-to-date are not significantly affected by seasonal and cyclical factors.

3. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter and financial year-to-date.

4. Changes in estimates

There were no material changes in estimates of amounts reported in prior period of current financial year or changes in the estimate of amounts reported in prior financial years that have material effect in the current quarter and financial year-to-date.

5. Issuance and repayment of debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year-to-date.

6. Dividend paid

There was no dividend paid in the current quarter.

7. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 30 September 2012 and 30 September 2011 are as follows:-

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30 September 2012	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue						
External revenue	-	26,924	25,545	41,118	-	93,587
Inter-segment revenue	-	18,094	367	-	(18,461)	-
	-	45,018	25,912	41,118	(18,461)	93,587
Segment Results						
Segment results	(407)	7,830	991	(1,169)	(3,900)	3,345
Operating profit						3,345
Interest revenue						25
Interest expense						(1,479)
Taxation						(1,348)
Net profit for the period						543

30 September 2011	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External revenue	-	25,256	28,035	-	53,291
Inter-segment revenue	-	18,877	229	(19,106)	-
	-	44,133	28,264	(19,106)	53,291
Segment Results					
Segment results	(272)	4,816	1,726	(412)	5,858
Operating profit					5,858
Interest revenue					24
Interest expense					(692)
Taxation					(1,978)
Net profit for the period					3,212

All the inter-segment revenue were determined based on cost plus a percentage of profit mark-up.

No geographical analysis has been presented as the operations of the Group are solely based in Malaysia.

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8. Valuation of property, plant and equipment

There were no amendments made to the valuation of property, plant and equipment that have been brought forward from the previous annual financial statements.

9. Subsequent event

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date except for the following:

The Proposed Acquisition of Land and Proposed Acquisition of shares in Central Palm Oil Mill Sdn Bhd (formerly known as Hok Hua Palm Oil Industries Sdn Bhd) by the Company and Mega Western Resources Sdn Bhd have been completed on 21 March 2012. Consequently, CPOM became 60%-owned subsidiary of the Company.

11. Contingent liabilities or assets

Save as disclosed below, there were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at end of the current quarter.

The contingent liabilities pertaining to the corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries were RM39,770,000 as at 30 September 2012 (31 December 2011 : RM16,741,566).

12. Review of performance of the Company and its principal subsidiary companies

The Group's revenue increased from RM 18.9million in preceding year corresponding quarter to RM 40.2 million in current quarter.

The profit before tax in current quarter is RM 0.5 million as compared to RM2.1million in preceding year corresponding quarter. The lower profit before tax was mainly due to the share of palm oil mill segment's loss and also lower sales composition of better profit margin products.

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Manufacturing & Trading

The manufacturing and trading segment's revenue for the financial period ended 30 September 2012 was RM 16.6million as compared with RM18.9million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM1.1million as compared with RM2.1million in preceding year corresponding quarter. The lower profit before tax was mainly due to lower sales achieved and also lower sales from products which have better profit margin products.

Palm Oil Mill

The palm oil mill segment's revenue in the current quarter is RM23.6million. However, the segment registered a loss after tax of RM 0.7million in the quarter under review. There is no comparison result for the palm oil mill segment in preceding year corresponding quarter.

As at the reporting date, the Group is in the process of completing the purchase price allocation, to determine the fair value of assets acquired and liabilities assumed and the final goodwill. Details of provisional net assets acquired and provisional goodwill are as follows:

	<u>RM'000</u>
<u>Purchase Consideration</u>	
Purchase consideration paid to date	10,165
Less:	
Provisional net assets acquired *	<u>(2,031)</u>
Provisional goodwill	<u>8,134</u>

*Provisional net assets acquired as at 17 February 2012 (the controlling date) arising from the acquisition of CPOM are as follows:

	<u>RM'000</u>
Non-current assets	9,240
Non-cash current assets	391
Current liabilities	(2,432)
Non-current liabilities	<u>(5,168)</u>
Provisional net assets acquired *	<u>2,031</u>

Pending the completion of the purchase price allocation, intangible assets other than goodwill have not been identified and valued in the provisional numbers above.

The results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material or unusual nature which have arisen between 1 January 2012 and the date of this report.

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13. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The profit before tax for the quarter under review is lower at RM 0.5million as compared with RM 0.6million in the immediate preceding quarter. The lower profit before tax in current quarter was mainly attributed to the share of palm oil mill segment's loss.

14. Current year prospect

The Group will strive to improve the operational efficiency of the newly acquired business and also to expand the core business of the Group in order to increase further the Group's performance.

15. Variance on forecast profit and/or profit guarantee

This was not applicable as no profit forecast and/or profit guarantee was published.

16. Profit for the period

Profit for the period is arrived at after charging/(crediting):

	Current year Quarter ended	Preceding year Corresponding Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Preceding year to date
	30/9/2012 RM'000	30/9/2011 RM'000	30/9/2012 RM'000	30/9/2011 RM'000
Interest income	(23)	-	(25)	(24)
Other income	(463)	(606)	(463)	(858)
Interest expenses	533	209	1,479	692
Depreciation of property, plant & equipment	1,003	696	2,782	1,870
Foreign exchange (gain)/loss-realised	(176)	(74)	(118)	(54)

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17. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	30/9/2012	30/9/2012
	RM'000	RM'000
Based on results for the period	434	1,366
Origination / (reversal) of temporary differences	14	(18)
	448	1,348
Under/(Over) provision in prior period	-	-
Tax expense	448	1,348

The effective tax expense rate for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes and non-availability of the Group tax relief in respect of losses suffered by certain companies.

18. Status of corporate proposals

There was no corporate proposal announced for the current quarter and financial year-to-date.

19. Group borrowings and debt securities

Group Borrowings as at 30-Sep-12	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	5	1,581	1,586
Revolving credit	-	2,500	2,500
Bankers' acceptance	-	9,889	9,889
Hire purchase loans	126	-	126
Term loans	3,049	-	3,049
	<u>3,180</u>	<u>13,970</u>	<u>17,150</u>
Long term borrowings			
Hire purchase loans	330	-	330
Term loans	22,290	-	22,290
	<u>22,620</u>	<u>-</u>	<u>22,620</u>
Total Borrowings	<u>25,800</u>	<u>13,970</u>	<u>39,770</u>

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Group Borrowings as at 31-Dec-11	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	-	123	123
Revolving credit	-	-	-
Bankers' acceptance	-	7305	7,305
Hire purchase loans	34	-	34
Term loans	1,054	-	1,054
	<u>1,088</u>	<u>7,428</u>	<u>8,516</u>
Long term borrowings			
Hire purchase loans	21	-	21
Term loans	8,205	-	8,205
	<u>8,226</u>	<u>-</u>	<u>8,226</u>
Total Borrowings	<u>9,314</u>	<u>7,428</u>	<u>16,742</u>

The above Group borrowings are denominated in Ringgit Malaysia.

20. Material pending litigation

There were no material litigations pending since the last annual financial statement.

21. Dividend

There was no dividend declared or recommended for the current quarter and financial year-to-date.

22. Earnings per share

- The amount used as the numerator in calculating basic earnings per share is profit after tax attributable to equity holder of the parent reported for the respective period.
- The weighted average number of shares used as the denominator in calculating basic earnings per share is 177,127,500 for current quarter and financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter is 177,926,400 and 178,118,417 for financial year-to date.

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23. Realised and Unrealised Profits/Losses Disclosure

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:-

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	43,736	71,351
-Unrealised	(1,433)	(1,170)
	<hr/> 42,303	<hr/> 70,181
Less: Consolidation adjustments	(928)	(29,971)
	<hr/> 41,375	<hr/> 40,210
Total Group retained profit as per consolidated accounts	<hr/> 41,375	<hr/> 40,210