

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the third quarter ended 30/9/2013

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) 30/9/13 RM'000	(Unaudited) 30/9/12 RM'000	(Unaudited) 30/9/13 RM'000	(Unaudited) 30/9/12 RM'000
Revenue	40,625	40,179	112,324	93,587
Cost Of Sales	(36,625)	(37,008)	(101,440)	(83,158)
Gross Profit	4,000	3,171	10,884	10,429
Other Income	296	287	672	463
Distribution Costs	(1,652)	(1,517)	(4,856)	(4,320)
Administrative Expenses	(967)	(888)	(2,900)	(2,996)
Other Expenses	(2)	(9)	(183)	(83)
Finance Costs	(694)	(572)	(1,775)	(1,602)
Share of loss of associates	-	-	-	-
Profit Before Tax	981	472	1,842	1,891
Income tax Expense	(611)	(448)	(1,018)	(1,348)
Profit For The Period	370	24	824	543
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	370	24	824	543
Attributable to:				
Equity Holders Of The Parent	370	24	810	543
Non-Controlling Interest	-	-	14	-
Total Comprehensive Income For The Period	370	24	824	543
EPS - Basic (sen)	0.21	0.17	0.46	0.66
- 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 2012 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u>	<u>Audited</u>
	As at end of current quarter 30/9/13 RM'000	As at preceding financial year end 31/12/12 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	76,134	75,392
Goodwill on business combination	6,079	6,079
Deferred tax assets	342	342
	<u>82,555</u>	<u>81,813</u>
Current Assets		
Inventories	34,504	33,271
Trade receivables	19,689	17,124
Other receivables	8,918	5,508
Tax assets	640	1,759
Cash and bank balances	6,983	5,657
	<u>70,734</u>	<u>63,319</u>
Total Assets	<u>153,289</u>	<u>145,132</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	42,504	41,694
	<u>92,418</u>	<u>91,608</u>
Non-controlling interests	1,904	1,890
Total equity	<u>94,322</u>	<u>93,498</u>
Non Current Liabilities		
Long term borrowings	22,231	21,902
Deferred tax liabilities	3,483	3,563
	<u>25,714</u>	<u>25,465</u>
Current Liabilities		
Trade and other payables	10,661	11,162
Short term provisions	357	357
Short term borrowings	22,070	14,423
Current tax payables	165	227
	<u>33,253</u>	<u>26,169</u>
Total Liabilities	<u>58,967</u>	<u>51,634</u>
Total Equity And Liabilities	<u>153,289</u>	<u>145,132</u>
Net Assets Per Share (RM)	0.52	0.52

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying notes attached to 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 30/9/2013-Unaudited</u>							
At 01/01/2013	49,200	(4,464)	5,178	41,694	91,608	1,890	93,498
Profit for the period	-	-	-	810	810	14	824
At 30/9/2013	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>42,504</u>	<u>92,418</u>	<u>1,904</u>	<u>94,322</u>
<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
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>

(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 2012 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/9/13 (Unaudited) RM'000	Cumulative quarter ended 30/9/12 (Unaudited) RM'000
Profit before tax	1,842	1,891
Adjustment for non-cash flow:-		
Non-cash items	3,082	2,788
Non-operating items (which are investing/financing)	1,661	1,454
Operating profit before changes in working capital	<u>6,585</u>	<u>6,133</u>
Changes in working capital		
Net change in inventories	(1,233)	3,686
Net change in receivables	(5,997)	(574)
Net change in payables	(501)	3,774
Cash flows from operation	<u>(1,146)</u>	<u>13,019</u>
Tax paid	64	(1,227)
Interest paid	(1,684)	(1,479)
Net cash (used in)/ from operating activities	<u>(2,766)</u>	<u>10,313</u>
Investing Activities		
Interest received	23	25
Proceed from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(3,803)	(8,610)
Acquisition of subsidiary	-	(10,240)
Net cash used in investing activities	<u>(3,780)</u>	<u>(18,824)</u>
Financing Activities		
Proceeds from borrowings	58,817	54,005
Repayment of borrowings	(51,479)	(44,700)
Net cash from financing activities	<u>7,338</u>	<u>9,305</u>
Net Change in Cash & Cash Equivalents	792	794
Cash & Cash Equivalents at beginning of the period	3,895	5,702
Cash & Cash Equivalents at end of the period	<u><u>4,687</u></u>	<u><u>6,496</u></u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	1,023
Cash and bank balances	<u>3,687</u>	<u>5,473</u>
	<u><u>4,687</u></u>	<u><u>6,496</u></u>

(The Unaudited Condensed Consolidated Statement of Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2012, except for the adoption of the following:

New or Revised MFRSs/Amendments/Interpretations

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standard
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance
Amendments to MFRS101	Presentation of Financial Statements: Presentation of items of other Comprehensive Income
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 134	Interim Financial Reporting
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 20	Stripping Cost in the Production Phase of a Surface Mine

The adoption of the above standards, amendments and interpretations did not have any material impact on the financial position and performance of the Group.

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The Group has not applied in advance the following MFRSs and amendments to MFRSs that have been issued by MASB but not yet effective for the current financial year:

		Effective Date
MFRS 9	Financial Instruments	1 January 2015
Amendments to MFRS 10	Consolidated financial statements	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Int. 21	Levies	1 January 2014

The Group is in the process of assessing the impact which may arise from adoption of the above standards amendments.

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.

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7. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 30 September 2013 and 30 September 2012 are as follows:-

30 September 2013	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	-	24,936	25,828	61,560	-	112,324
Inter-segment revenue	-	19,697	274	-	(19,971)	-
	-	44,633	26,102	61,560	(19,971)	112,324
Segment Results						
Segment results	(150)	2,549	1,003	404	(303)	3,503
Operating profit						3,503
Interest revenue						23
Interest expense						(1,684)
Taxation						(1,018)
Net profit for the period						824
30 September 2012						
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

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

The Group had entered into sales purchase agreements on 25 October 2013 for the Proposed Acquisitions as follows:

	RM
- SPA1 : Land	3,467,000
- SPA 2: Plant, Machinery and Equipment	764,000
- SPA 3: Registered Trade Marks	45,000

Announcement had been made accordingly on 25 October 2013. The completion of the SPAs hereunder shall take place on a business day not later than a date falling three (3) months from the date of receipt of the State Authority Consent or three (3) months from the date of receipt of the Validation Order by the Purchaser's Solicitors. The Proposed Acquisitions are unconditional upon each other for their completion.

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.

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 RM44,301,376 as at 30 September 2013 (31 December 2012 : RM36,325,257).

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

During the quarter under review, the Group's revenue increased to RM 40.63 million as compared to RM 40.18 million in preceding year corresponding quarter. The profit before tax in current quarter is higher at RM0.98 million as compared to RM0.47 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue for the financial period ended 30 September 2013 and preceding year corresponding quarter are RM17.30million and RM16.57million respectively. In current quarter, the profit before tax recorded at RM0.98million as compared with RM1.13million in preceding year corresponding quarter.

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The lower profit before tax in current quarter was mainly due to lower sales composition from better margin products.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter is RM23.33million as compared to RM23.61million in preceding year corresponding quarter. However, the segment registered a profit after tax of RM 4,000 in the quarter under review as compared to loss after tax of RM0.66 million.

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 2013 and the date of this report.

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 at RM 0.98million as compared with RM0.37million in immediate preceding quarter. The higher profit before tax in current quarter was mainly due to higher sales achieved.

14. Current year prospect

The Group remains optimistic on its performance in the coming quarter.

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
	30/9/2013 RM'000	30/9/2012 RM'000	30/9/2013 RM'000	30/9/2012 RM'000
Interest income	(23)	(23)	(23)	(25)
Other income	(296)	(463)	(672)	(463)
Interest expenses	663	533	1,684	1,479
Depreciation of property, plant & equipment	993	1,003	2,956	2,782
Foreign exchange (gain) - realised	(98)	(176)	(145)	(118)

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17. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	2013-09-30	2013-09-30
	RM'000	RM'000
Based on results for the period	611	1,098
Origination / (reversal) of temporary differences	-	(80)
Under/(Over) provision in prior period	611	1,018
Tax expense	-	-
	611	1,018

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-13	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	-	2,296	2,296
Revolving credit	-	4,000	4,000
Bankers' acceptance	-	13,637	13,637
Hire purchase loans	101	-	101
Term loans	2,036	-	2,036
	<u>2,137</u>	<u>19,933</u>	<u>22,070</u>
Long term borrowings			
Hire purchase loans	229	-	229
Term loans	22,002	-	22,002
	<u>22,231</u>	<u>-</u>	<u>22,231</u>
Total Borrowings	<u>24,368</u>	<u>19,933</u>	<u>44,301</u>

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Group Borrowings as at 31-Dec-12	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	-	1,762	1,762
Revolving credit	-	1,000	1,000
Bankers' acceptance	-	8,554	8,554
Hire purchase loans	118	-	118
Term loans	2,989	-	2,989
	<u>3,107</u>	<u>11,316</u>	<u>14,423</u>
Long term borrowings			
Hire purchase loans	296.00	-	296
Term loans	21,606	-	21,606
	<u>21,902</u>	<u>-</u>	<u>21,902</u>
Total Borrowings	<u>25,009</u>	<u>11,316</u>	<u>36,325</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 and also for preceding year corresponding quarter and 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 30/9/2013 RM'000	As at 31/12/2012 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	45,988	74,143
-Unrealised	(2,614)	(1,052)
	<hr/> 43,374	<hr/> 73,091
Less: Consolidation adjustments	(870)	(31,397)
	<hr/> 42,504	<hr/> 41,694
Total Group retained profit as per consolidated accounts	<hr/> <hr/> 42,504	<hr/> <hr/> 41,694