

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year quarter ended</b>	<b>Preceding year corresponding quarter ended</b>	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>(Unaudited) 31/12/14 RM'000</b>	<b>(Unaudited) 31/12/13 RM'000</b>	<b>(Unaudited) 31/12/14 RM'000</b>	<b>(Audited) 31/12/13 RM'000</b>
Revenue	42,083	47,249	214,321	159,573
Cost Of Sales	(34,250)	(42,060)	(192,137)	(143,500)
Gross Profit	7,833	5,189	22,184	16,073
Other Income	1,419	772	4,036	1,444
Distribution Costs	(2,001)	(2,018)	(7,542)	(6,874)
Administrative Expenses	(1,891)	(1,688)	(4,845)	(4,588)
Other Expenses	(1,072)	(349)	(2,170)	(532)
Finance Costs	(729)	(631)	(2,811)	(2,406)
Share of loss of associates	-	-	-	-
Profit Before Tax	3,559	1,275	8,852	3,117
Income tax Expense	(565)	(220)	(1,807)	(1,238)
Profit For The Period/Year	2,994	1,055	7,045	1,879
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period/Year	2,994	1,055	7,045	1,879
Attributable to:				
Equity Holders Of The Parent	2,909	1,054	6,552	1,864
Non-Controlling Interest	85	1	493	15
Total Comprehensive Income For The Period/Year	2,994	1,055	7,045	1,879
EPS - Basic (sen)	1.64	0.60	3.70	1.05
- 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 2013 and the accompanying notes attached to these interim financial statements)

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter 31/12/14 RM'000</b>	<b>As at preceding financial year end 31/12/13 RM'000</b>
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	82,166	77,272
Goodwill on business combination	6,079	6,079
Deferred tax assets	143	423
	<u>88,388</u>	<u>83,774</u>
Current Assets		
Inventories	39,651	37,368
Trade receivables	17,320	21,658
Other receivables	16,069	7,235
Tax assets	367	357
Cash and bank balances	9,225	9,419
	<u>82,632</u>	<u>76,037</u>
Total Assets	<u><u>171,020</u></u>	<u><u>159,811</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(4,464)	(4,464)
Other reserves	5,178	5,178
Retained earnings	50,110	43,558
	<u>100,024</u>	<u>93,472</u>
Non-controlling interests	2,398	1,905
Total equity	<u><u>102,422</u></u>	<u><u>95,377</u></u>
Non Current Liabilities		
Long term borrowings	28,100	24,271
Deferred tax liabilities	3,510	3,432
	<u>31,610</u>	<u>27,703</u>
Current Liabilities		
Trade and other payables	9,121	11,732
Short term provisions	477	408
Short term borrowings	27,390	24,559
Current tax payables	-	32
	<u>36,988</u>	<u>36,731</u>
Total Liabilities	<u>68,598</u>	<u>64,434</u>
Total Equity And Liabilities	<u><u>171,020</u></u>	<u><u>159,811</u></u>
Net Assets Per Share (RM)	0.56	0.53

(The Unaudited 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 these interim financial statements)

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**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
<b><u>Cumulative quarter ended 31/12/2014-Unaudited</u></b>							
At 01/01/2014	49,200	(4,464)	5,178	43,558	93,472	1,905	95,377
Profit for the year	-	-	-	6,552	6,552	493	7,045
At 31/12/2014	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>50,110</u>	<u>100,024</u>	<u>2,398</u>	<u>102,422</u>
<b><u>Cumulative quarter ended 31/12/2014-Audited</u></b>							
At 01/01/2013	49,200	(4,464)	5,178	41,694	91,608	1,890	93,498
Profit for the year	-	-	-	1,864	1,864	15	1,879
At 31/12/2013	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>43,558</u>	<u>93,472</u>	<u>1,905</u>	<u>95,377</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 2013 and the accompanying notes attached to these interim financial statements)

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 31/12/14 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 31/12/13 (Audited) RM'000</b>
Profit before tax	8,852	3,117
Adjustment for non-cash flow:-		
Non-cash items	5,305	4,331
Non-operating items (which are investing/financing)	2,585	2,246
Operating profit before changes in working capital	<u>16,742</u>	<u>9,694</u>
Changes in working capital		
Net change in inventories	(2,283)	(4,097)
Net change in receivables	(4,185)	(7,900)
Net change in payables	(2,611)	2,199
Cash flows from/(used in) operation	<u>7,663</u>	<u>(104)</u>
Tax paid	(1,491)	(243)
Interest paid	(2,644)	(2,278)
Net cash from/(used in) operating activities	<u>3,528</u>	<u>(2,625)</u>
Investing Activities		
Interest received	59	32
Purchase of property, plant and equipment	(10,481)	(6,251)
Net cash used in investing activities	<u>(10,382)</u>	<u>(6,154)</u>
Financing Activities		
Proceeds from borrowings	105,478	86,713
Repayment of borrowings	(103,448)	(74,331)
Net cash (used in)/from financing activities	<u>2,030</u>	<u>12,382</u>
Net Change in Cash & Cash Equivalents	(4,824)	3,603
Cash & Cash Equivalents at beginning of the year	7,498	3,895
Cash & Cash Equivalents at end of the year	<u>2,674</u>	<u>7,498</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	1,000
Cash and bank balances	1,674	6,498
	<u>2,674</u>	<u>7,498</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 2013 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 accounting policies and methods of computation adopted in this period in this financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2013 except for the:

**(i) adoption of the following amendments/improvements to Malaysian Financial Reporting Standards (“MFRSs”) and new IC Interpretation (“IC Int”):**

**Amendments/Improvements to MFRSs**

FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 139	Financial Instruments: Recognition and Measurement
<b>New IC Int</b>	
IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int does not have any significant impact on the financial statements of the Group.

**(ii) New MFRSs, amendments/improvement to MFRSs that are issued, but not yet effective and have not been early adopted**

The Group have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) as at the date of authorisation of these financial statements but are not yet effective for the Group:-

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

		<b>Effective for financial periods beginning on or after</b>
<b>New MFRSs</b>		
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<b>Amendments/Improvements to MFRSs</b>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 11	Joint Arrangements	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 134	Interim Financial Reporting	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when FRS 9 is applied
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

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

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**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 interim periods of the 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 31 December 2014 and 31 December 2013 are as follows:-

31 Dec 2014	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External revenue	-	52,912	39,999	121,410	-	214,321
Inter-segment revenue	-	22,868	132	-	(23,000)	-
	-	75,780	40,131	121,410	(23,000)	214,321
<b>Segment Results</b>						
Segment results	(395)	7,023	1,689	3,464	(344)	11,437
Operating profit						11,437
Interest revenue						59
Interest expense						(2,644)
Taxation						(1,807)
Net profit for the year						7,045

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

31 Dec 2013	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External revenue	-	33,665	36,075	89,833	-	159,573
Inter-segment revenue	2,825	25,471	534	-	(28,830)	-
	-	59,136	36,609	89,833	(28,830)	159,573
<b>Segment Results</b>						
Segment results	(327)	8,559	1,547	633	(5,049)	5,363
Operating profit						5,363
Interest revenue						32
Interest expense						(2,278)
Taxation						(1,238)
Net profit for the year						1,879

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

**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.

**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 RM55,490,900 as at 31 December 2014 (31 December 2013 : RM48,830,123).



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

During the quarter under review, the Group's revenue reduced to RM 42.1 million as compared to RM 47.2 million in preceding year corresponding quarter. However, the profit before tax in current quarter recorded at RM3.6 million as compared to RM1.3 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter and preceding year corresponding quarter are 23.7 million and RM19.0 million respectively. The profit before tax recorded at RM3.1 million in current quarter as compared to RM1.3million in preceding year corresponding quarter. The higher profit before tax in current quarter as compared to preceding year corresponding quarter was mainly due to higher sales achieved.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter reduced to RM18.4 million as compared to RM28.3 million in preceding year corresponding quarter. However, this segment registered a higher profit before tax of RM 0.5 million in the quarter under review as compared to profit before tax of RM 3,000 in preceding year corresponding quarter. The higher profit before tax was mainly due to improve in operational efficiency in current quarter as compared to preceding year corresponding quarter. However, the lower sales achieved in current quarter as compared to preceding year was mainly due to the heavy rain which caused the flood and affecting the harvesting activity.

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 October 2014 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 3.6 million as compared with RM2.6 million in immediate preceding quarter. The higher profit before tax in current quarter was mainly attributed to increase in sales composition of higher profit margin products and also improve efficiency achieved in Oil Mill segment.

**14. Current year prospect**

The Group remains optimistic on its performance in the coming financial year.

**15. Variance on forecast profit and/or profit guarantee**

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

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**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 Current year to date
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Interest income	(49)	(9)	(59)	(32)
Other income	(1,419)	(772)	(4,036)	(1,444)
Interest expenses	667	594	2,644	2,278
Depreciation of property, plant & equipment	1,207	1,219	4,587	4,175
Foreign exchange (gain)/loss - realised	(828)	(52)	(2,165)	(197)
Foreign exchange (gain)/loss - unrealised	(316)	(235)	(316)	(235)

**17. Taxation**

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	31/12/2014 RM'000	31/12/2014 RM'000
Based on results for the period/year	347	1,449
Origination / (reversal) of temporary differences	218	358
Under/(Over) provision in prior period	-	-
Tax expense	565	1,807

The effective tax expense rate for the current quarter and financial year-to-date were lower than the statutory tax rate mainly due to availability of tax relief to certain subsidiary companies within the group.

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**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**

<b>Group Borrowings as at 31-Dec-14</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	1,096	5,455	6,551
Revolving credit	-	3,500	3,500
Bankers' acceptance	-	14,809	14,809
Hire purchase loans	95	-	95
Term loans	2,435	-	2,435
	<u>3,626</u>	<u>23,764</u>	<u>27,390</u>
<b>Long term borrowings</b>			
Hire purchase loans	107	-	107
Term loans	27,993	-	27,993
	<u>28,100</u>	<u>-</u>	<u>28,100</u>
<b>Total Borrowings</b>	<u>31,726</u>	<u>23,764</u>	<u>55,490</u>

<b>Group Borrowings as at 31-Dec-13</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	-	1,921	1,921
Revolving credit	-	3,600	3,600
Bankers' acceptance	-	15,531	15,531
Hire purchase loans	102	-	102
Term loans	3,405	-	3,405
	<u>3,507</u>	<u>21,052</u>	<u>24,559</u>
<b>Long term borrowings</b>			
Hire purchase loans	202	-	202
Term loans	24,069	-	24,069
	<u>24,271</u>	<u>-</u>	<u>24,271</u>
<b>Total Borrowings</b>	<u>27,778</u>	<u>21,052</u>	<u>48,830</u>

The above Group borrowings are denominated in Ringgit Malaysia.

**CAM RESOURCES BERHAD** (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2014

**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**

(a) 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.

(b) 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.

**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:-

	<b>As at 31/12/2014 RM'000</b>	<b>As at 31/12/2013 RM'000</b>
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	87,377	80,438
-Unrealised	(1,013)	(636)
	<hr/> 86,364	<hr/> 79,802
Less: Consolidation adjustments	(36,254)	(36,244)
	<hr/>	<hr/>
Total Group retained profit as per consolidated accounts	50,110	43,558
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