

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

Quarterly Report on consolidated results for the first quarter ended 31/3/2015

**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) 31/3/15 RM'000</b>	<b>(Unaudited) 31/3/14 RM'000</b>	<b>(Unaudited) 31/3/15 RM'000</b>	<b>(Unaudited) 31/3/14 RM'000</b>
Revenue	52,970	51,642	52,970	51,642
Cost Of Sales	(47,692)	(48,038)	(47,692)	(48,038)
Gross Profit	5,278	3,604	5,278	3,604
Other Income	422	569	422	569
Distribution Costs	(2,088)	(1,728)	(2,088)	(1,728)
Administrative Expenses	(1,283)	(977)	(1,283)	(977)
Other Expenses	(174)	(107)	(174)	(107)
Finance Costs	(769)	(714)	(769)	(714)
Share of loss of associates	-	-	-	-
Profit Before Tax	1,386	647	1,386	647
Income tax Expense	(503)	(211)	(503)	(211)
Profit For The Period	883	436	883	436
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	883	436	883	436
Attributable to:				
Equity Holders Of The				
Parent	883	358	883	358
Non-Controlling Interest	-	78	-	78
Total Comprehensive Income For The Period	883	436	883	436
EPS - Basic (sen)	0.50	0.20	0.50	0.20
- 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 2014 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter 31/3/15 RM'000</b>	<b>As at preceding financial year end 31/12/14 RM'000</b>
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	89,849	86,479
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	143	143
	<u>96,117</u>	<u>92,747</u>
Current Assets		
Inventories	36,924	39,651
Trade receivables	21,043	17,428
Other receivables	3,916	14,597
Tax assets	710	366
Cash and bank balances	9,333	7,726
	<u>71,926</u>	<u>79,768</u>
Total Assets	<u><u>168,043</u></u>	<u><u>172,515</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	46,264	50,233
	<u>96,178</u>	<u>100,147</u>
Non-controlling interests	-	2,348
Total equity	<u><u>96,178</u></u>	<u><u>102,495</u></u>
Non Current Liabilities		
Long term borrowings	27,957	28,010
Deferred tax liabilities	3,667	3,428
	<u>31,624</u>	<u>31,438</u>
Current Liabilities		
Trade and other payables	12,795	10,621
Short term provisions	477	477
Short term borrowings	26,638	27,484
Current tax payables	331	-
	<u>40,241</u>	<u>38,582</u>
Total Liabilities	<u>71,865</u>	<u>70,020</u>
Total Equity And Liabilities	<u><u>168,043</u></u>	<u><u>172,515</u></u>
Net Assets Per Share (RM)	0.54	0.57

(The Unaudited 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 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
<b><u>Cumulative quarter ended 31/3/2015- Unaudited</u></b>							
At 01/01/2015	49,200	(4,464)	5,178	50,233	100,147	2,348	102,495
Acquisition of remaining equity interest of 16.37% from Non-controlling interest				(4,852)	(4,852)	(2,348)	(7,200)
Profit for the period	-	-	-	883	883	-	883
At 31/03/2015	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>46,264</u>	<u>96,178</u>	<u>-</u>	<u>96,178</u>
<b><u>Cumulative quarter ended 31/3/2014- Unaudited</u></b>							
At 01/01/2014	49,200	(4,464)	5,178	43,558	93,472	1,905	95,377
Non-controlling interest at acquisition date					-	-	-
Profit for the period	-	-	-	358	358	78	436
At 31/03/2014	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>43,916</u>	<u>93,830</u>	<u>1,983</u>	<u>95,813</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 2014 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 31/3/15 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 31/3/14 (Audited) RM'000</b>
Profit before tax	1,386	647
Adjustment for non-cash flow:-		
Non-cash items	1,250	1,088
Non-operating items (which are investing/financing)	730	679
Operating profit before changes in working capital	<u>3,366</u>	<u>2,414</u>
Changes in working capital		
Net change in inventories	2,727	(1,391)
Net change in receivables	6,852	1,876
Net change in payables	<u>2,174</u>	<u>(1,344)</u>
Cash flows from operation	15,119	1,555
Tax paid	(333)	(465)
Interest paid	<u>(735)</u>	<u>(682)</u>
Net cash from operating activities	<u>14,051</u>	<u>408</u>
Investing Activities		
Interest received	5	3
Purchase of property, plant and equipment	(4,348)	(927)
Acquisition of subsidiary	<u>(7,200)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(11,543)</u>	<u>(924)</u>
Financing Activities		
Proceeds from borrowings	22,727	25,464
Repayment of borrowings	<u>(19,731)</u>	<u>(26,271)</u>
Net cash from/(used in) financing activities	<u>2,996</u>	<u>(807)</u>
Net Change in Cash & Cash Equivalents	5,504	(1,323)
Cash & Cash Equivalents at beginning of the period	1,171	7,498
Cash & Cash Equivalents at end of the period	<u>6,675</u>	<u>6,175</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	1,000
Cash and bank balances	<u>5,675</u>	<u>5,175</u>
	<u>6,675</u>	<u>6,175</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 2014 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:-

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		<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.

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**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 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 March 2015 and 31 December 2013 are as follows:-

31 Mar 2015	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	-	16,574	10,683	25,713	-	52,970
Inter-segment revenue	-	5,002	8	-	(5,010)	-
	-	21,576	10,691	25,713	(5,010)	52,970
<b>Segment Results</b>						
Segment results	(69)	857	694	262	372	2,116
Operating profit						2,116
Interest revenue						5
Interest expense						(735)
Taxation						(503)
Net profit for the period						883

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31 March 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	-	10,018	9,274	32,350	-	51,642
Inter-segment revenue	-	5,426	59	-	(5,485)	-
	-	15,444	9,333	32,350	(5,485)	51,642
<b>Segment Results</b>						
Segment results	(47)	642	388	609	(266)	1,326
Operating profit						1,326
Interest revenue						3
Interest expense						(682)
Taxation						(211)
Net profit for the period						436

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**

The Group announced for the change on the composition of the Group in current quarter as the acquisition of the remaining 16.37% equity interest in Central Palm Oil Mill Sdn Bhd ('CPOM') had been completed on 5 January 2015. Consequent thereto, CPOM becomes a wholly-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 RM54,595,000 as at 31 March 2015 (31 December 2014 : RM55,494,000).

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

During the quarter under review, the Group's revenue increased to RM 53.0 million as compared to RM 51.6 million in preceding year corresponding quarter. However, the profit before tax in current quarter recorded at RM 1.4 million as compared to RM 0.6 million in preceding year corresponding quarter.

### Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter and preceding year corresponding quarter are RM 27.3 million and RM 19.2 million respectively. The profit before tax recorded at RM 1.3million in current quarter as compared to RM 0.1million 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 in current quarter.

### Palm Oil Mill

The palm oil mill segment's revenue in current quarter reduced to RM 25.7 million as compared to RM 32.4 million in preceding year corresponding quarter. The profit before tax for this quarter registered lower at RM 75,000 as compared to RM 500,000 in preceding year corresponding quarter. The lower profit before tax was mainly due to lower sales achieved for the quarter under review.

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 April 2015 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 recorded at RM 1.4 million as compared with RM3.6 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly attributed to lower sales achieved in Oil Mill Segment.

## **14. Current year prospect**

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

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**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 Current year to date
	31/3/2015 RM'000	31/3/2014 RM'000	31/3/2015 RM'000	31/3/2014 RM'000
Interest income	(5)	(3)	(5)	(3)
Other income	(417)	(566)	(417)	(566)
Interest expenses	735	682	735	682
Depreciation of property, plant & equipment	1,631	987	1,631	987
Foreign exchange (gain)/loss - realised	116	(171)	-	(171)

**17. Taxation**

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	31/03/2015 RM'000	31/03/2015 RM'000
Based on results for the period	264	264
Origination / (reversal) of temporary differences	239	239
	503	503
Under/(Over) provision in prior period	-	-
Tax expense	503	503

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.

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**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-Mar-15</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	446	2,212	2,658
Revolving credit	-	2,500	2,500
Bankers' acceptance	-	18,876	18,876
Hire purchase loans	443	-	443
Term loans	2,161	-	2,161
	<u>3,050</u>	<u>23,588</u>	<u>26,638</u>
<b>Long term borrowings</b>			
Hire purchase loans	555	-	555
Term loans	27,402	-	27,402
	<u>27,957</u>	<u>-</u>	<u>27,957</u>
<b>Total Borrowings</b>	<u>31,007</u>	<u>23,588</u>	<u>54,595</u>

<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	1,100	5,455	6,555
Revolving credit	-	3,500	3,500
Bankers' acceptance	-	14,809	14,809
Hire purchase loans	95	-	95
Term loans	2,525	-	2,525
	<u>3,720</u>	<u>23,764</u>	<u>27,484</u>
<b>Long term borrowings</b>			
Hire purchase loans	107	-	107
Term loans	27,903	-	27,903
	<u>28,010</u>	<u>-</u>	<u>28,010</u>
<b>Total Borrowings</b>	<u>31,730</u>	<u>23,764</u>	<u>55,494</u>

The above Group borrowings are denominated in Ringgit Malaysia.

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**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 31/3/2015 RM'000</b>	<b>As at 31/12/2014 RM'000</b>
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	88,949	88,688
-Unrealised	(1,329)	(1,013)
	<hr/> 87,620	<hr/> 87,675
Less: Consolidation adjustments	(41,356)	(37,442)
	<hr/>	<hr/>
Total Group retained profit as per consolidated accounts	46,264	50,233
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