

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended (Unaudited) 30/6/15 RM'000	Preceding year corresponding quarter ended (Unaudited) 30/6/14 RM'000	Current year to date (Unaudited) 30/6/15 RM'000	Preceding year corresponding period (Unaudited) 30/6/14 RM'000
Revenue	51,590	63,401	104,560	115,043
Cost Of Sales	(47,640)	(58,710)	(95,332)	(106,748)
Gross Profit	3,950	4,691	9,228	8,295
Other Income	541	1,096	963	1,665
Distribution Costs	(1,725)	(1,838)	(3,813)	(3,566)
Administrative Expenses	(1,319)	(998)	(2,602)	(1,975)
Other Expenses	111	(224)	(63)	(331)
Finance Costs	(685)	(695)	(1,454)	(1,409)
Share of loss of associates	-	-	-	-
Profit Before Tax	873	2,032	2,259	2,679
Income tax Expense	(247)	(819)	(750)	(1,030)
Profit For The Period	626	1,213	1,509	1,649
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	626	1,213	1,509	1,649
Attributable to:				
Equity Holders Of The				
Parent	626	1,149	1,509	1,507
Non-Controlling Interest	-	64	-	142
Total Comprehensive Income For The Period	626	1,213	1,509	1,649
EPS - Basic (sen)	0.34	0.65	0.79	0.85
- 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)

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u>	<u>Audited</u>
	As at end of current quarter 30/6/15 RM'000	As at preceding financial year end 31/12/14 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	90,289	86,479
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	143	143
	<u>96,557</u>	<u>92,747</u>
Current Assets		
Inventories	37,168	39,651
Trade receivables	23,849	17,428
Other receivables	3,714	14,597
Tax assets	381	366
Cash and bank balances	8,167	7,726
	<u>73,279</u>	<u>79,768</u>
Total Assets	<u>169,836</u>	<u>172,515</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(445)	(4,464)
Other reserves	5,178	5,178
Retained earnings	42,871	50,233
	<u>96,804</u>	<u>100,147</u>
Non-controlling interests	-	2,348
Total equity	<u>96,804</u>	<u>102,495</u>
Non Current Liabilities		
Long term borrowings	26,995	28,010
Deferred tax liabilities	3,623	3,428
	<u>30,618</u>	<u>31,438</u>
Current Liabilities		
Trade and other payables	14,743	10,621
Short term provisions	477	477
Short term borrowings	27,194	27,484
Current tax payables	-	-
	<u>42,414</u>	<u>38,582</u>
Total Liabilities	<u>73,032</u>	<u>70,020</u>
Total Equity And Liabilities	<u>169,836</u>	<u>172,515</u>
Net Assets Per Share (RM)	0.50	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)

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

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 30/6/2015- Unaudited</u>							
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	-	-	-	1,509	1,509	-	1,509
Repurchase of own shares	-	-	-	-	-	-	-
Dividends	-	4,019	-	(4,019)	-	-	-
At 30/06/2015	49,200	(445)	5,178	42,871	96,804	-	96,804
<u>Cumulative quarter ended 30/6/2014- Unaudited</u>							
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				1,507	1,507	142	1,649
Repurchase of own shares					-	-	-
Dividends					-	-	-
At 30/6/2014	49,200	(4,464)	5,178	45,065	94,979	2,047	97,026

(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)

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/6/15 (Unaudited) RM'000	Cumulative quarter ended 30/6/14 (Audited) RM'000
Profit before tax	2,259	2,679
Adjustment for non-cash flow:-		
Non-cash items	777	2,141
Non-operating items (which are investing/financing)	1,373	1,335
Operating profit before changes in working capital	<u>4,409</u>	<u>6,155</u>
Changes in working capital		
Net change in inventories	2,483	2,748
Net change in receivables	4,462	(1,902)
Net change in payables	<u>4,122</u>	<u>(2,198)</u>
Cash flows from operation	15,476	4,803
Tax paid	(913)	(1,035)
Interest paid	<u>(1,079)</u>	<u>(1,339)</u>
Net cash from operating activities	<u>13,484</u>	<u>2,429</u>
Investing Activities		
Interest received	10	4
Purchase of property, plant and equipment	(2,042)	(1,788)
Acquisition of subsidiary	<u>(7,200)</u>	-
Net cash (used in) investing activities	<u>(9,232)</u>	<u>(1,784)</u>
Financing Activities		
Proceeds from borrowings	40,820	49,912
Repayment of borrowings	<u>(40,877)</u>	<u>(49,930)</u>
Net cash from/(used in) financing activities	<u>(57)</u>	<u>(18)</u>
Net Change in Cash & Cash Equivalents	4,195	627
Cash & Cash Equivalents at beginning of the period	1,171	7,498
Cash & Cash Equivalents at end of the period	<u><u>5,366</u></u>	<u><u>8,125</u></u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	3,000
Cash and bank balances	<u>4,366</u>	<u>5,125</u>
	<u><u>5,366</u></u>	<u><u>8,125</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 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
New IC Int	
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 second quarter ended 30/6/2015

		Effective for financial periods beginning on or after
New MFRSs		
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
Amendments/Improvements to MFRSs		
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 second quarter ended 30/6/2015

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

Pursuant to the announcement dated 6 March 2015 in relation to the declaration of interim dividend via a share dividend distribution on the basis of one (1) treasury share for every ten (10) ordinary shares of RM0.25 each held ("**Share Dividend**") in CAM Resources Berhad ("CAM"), the Share Dividend had been fully credited into the respective Depositors' Securities Accounts on 13 April 2015.

7. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 30 June 2015 and 30 June 2014 are as follows:-

30 June 2015	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	-	34,768	10,983	58,809	-	104,560
Inter-segment revenue	-	5,002	8	-	(5,010)	-
	-	39,770	10,991	58,809	(5,010)	104,560
Segment Results						
Segment results	(226)	4,509	822	777	(2,250)	3,632
Operating profit						3,632
Interest revenue						10
Interest expense						(1,383)
Taxation						(750)
Net profit for the period						1,509

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

30 June 2014	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	-	26,502	19,852	68,689	-	115,043
Inter-segment revenue	-	11,080	75	-	(11,155)	-
	-	37,582	19,927	68,689	(11,155)	115,043
Segment Results						
Segment results	(138)	2,829	566	1,115	(358)	4,014
Operating profit						4,014
Interest revenue						4
Interest expense						(1,339)
Taxation						(1,030)
Net profit for the period						1,649

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 RM54,189,000 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 reduced to RM 51.6 million as compared to RM 63.4 million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM 0.9 million as compared to RM 2.0 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded at RM18.5 million as compared to preceding year corresponding quarter of RM 27.1 million. The profit before tax recorded at RM 0.7 million in current quarter as compared to RM 1.6 million in preceding year corresponding quarter. The lower profit before tax in current quarter as compared to preceding year corresponding quarter was mainly due to lower sales achieved.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter reduced to RM 33.1 million as compared to RM 36.3 million in preceding year corresponding quarter. The profit before tax for this quarter registered lower at RM 0.2 million as compared to RM 0.3 million in preceding year corresponding quarter. The lower profit before tax was 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 0.9 million as compared with RM 1.4 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly attributed to lower sales contribution from high profit margin products and also lower sales achieved.

14. Current year prospect

The Group remains cautiously optimistic on the outlook for the coming quarters.

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	Current year Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Current year to date
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Interest income	(5)	(1)	(10)	(4)
Other income	(546)	(1,099)	(963)	(1,665)
Interest expenses	648	657	1,383	1,339
Depreciation of property, plant & equipment	893	1,155	2,524	2,142
Foreign exchange (gain)/loss - realised	(195)	(632)	(79)	(803)

17. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	30/06/2015 RM'000	30/06/2015 RM'000
Based on results for the period	291	555
Origination / (reversal) of temporary differences	(44)	195
	247	750
Under/(Over) provision in prior period	-	-
Tax expense	247	750

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-Jun-15	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	579	2,222	2,801
Revolving credit	-	3,500	3,500
Bankers' acceptance	-	17,907	17,907
Hire purchase loans	272	-	272
Term loans	2,714	-	2,714
	<u>3,565</u>	<u>23,629</u>	<u>27,194</u>
Long term borrowings			
Hire purchase loans	430	-	430
Term loans	26,565	-	26,565
	<u>26,995</u>	<u>-</u>	<u>26,995</u>
Total Borrowings	<u>30,560</u>	<u>23,629</u>	<u>54,189</u>

Group Borrowings as at 31-Dec-14	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
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>
Long term borrowings			
Hire purchase loans	107	-	107
Term loans	27,903	-	27,903
	<u>28,010</u>	<u>-</u>	<u>28,010</u>
Total Borrowings	<u>31,730</u>	<u>23,764</u>	<u>55,494</u>

The above Group borrowings are denominated in Ringgit Malaysia.

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the second quarter ended 30/6/2015

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 are 186,470,476 for current quarter and 189,890,381 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period is 177,127,500.

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 30/6/2015 RM'000	As at 31/12/2014 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	88,133	88,688
-Unrealised	(1,329)	(1,013)
	<hr/> 86,804	<hr/> 87,675
Less: Consolidation adjustments	(43,933)	(37,442)
	<hr/>	<hr/>
Total Group retained profit as per consolidated accounts	42,871	50,233
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