

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended (Unaudited) 31/12/15 RM'000	Preceding year corresponding quarter ended (Unaudited) 31/12/14 RM'000	Current year to date (Unaudited) 31/12/15 RM'000	Preceding year corresponding period (Unaudited) 31/12/14 RM'000
Revenue	46,913	42,070	212,247	214,308
Cost Of Sales	(40,286)	(35,087)	(190,123)	(192,974)
Gross Profit	6,627	6,983	22,124	21,334
Other Income	766	1,419	2,858	4,036
Distribution Costs	(2,270)	(1,999)	(8,537)	(7,540)
Administrative Expenses	(2,104)	(1,918)	(6,220)	(4,872)
Other Expenses	(332)	(207)	(422)	(1,305)
Finance Costs	(733)	(729)	(3,124)	(2,811)
Share of loss of associates	-	-	-	-
Profit Before Tax	1,954	3,549	6,679	8,842
Income tax Expense	1,649	(482)	488	(1,724)
Profit For The Period/Year	3,603	3,067	7,167	7,118
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period/Year	3,603	3,067	7,167	7,118
Attributable to:				
Equity Holders Of The Parent	3,603	3,032	7,167	6,675
Non-Controlling Interest	-	35	-	443
Total Comprehensive Income For The Period	3,603	3,067	7,167	7,118
EPS - Basic (sen)	1.86	1.71	3.78	3.77
- 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

	<u>Unaudited</u>	<u>Audited</u>
	As at end of current quarter 31/12/15 RM'000	As at preceding financial year end 31/12/14 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	91,651	86,479
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	1,950	143
	<u>99,726</u>	<u>92,747</u>
Current Assets		
Inventories	33,501	39,651
Trade receivables	22,303	17,428
Other receivables	1,837	14,597
Tax assets	890	366
Cash and bank balances	6,061	7,726
	<u>64,592</u>	<u>79,768</u>
Total Assets	<u>164,318</u>	<u>172,515</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(823)	(4,464)
Other reserves	5,178	5,178
Retained earnings	48,529	50,233
	<u>102,084</u>	<u>100,147</u>
Non-controlling interests	-	2,348
Total equity	<u>102,084</u>	<u>102,495</u>
Non Current Liabilities		
Long term borrowings	25,638	28,010
Deferred tax liabilities	3,635	3,428
	<u>29,273</u>	<u>31,438</u>
Current Liabilities		
Trade and other payables	9,870	10,621
Short term provisions	510	477
Short term borrowings	22,581	27,484
	<u>32,961</u>	<u>38,582</u>
Total Liabilities	<u>62,234</u>	<u>70,020</u>
Total Equity And Liabilities	<u>164,318</u>	<u>172,515</u>
Net Assets Per Share (RM)	0.53	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
<u>Cumulative quarter ended 31/12/2015- 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 year	-	-	-	7,167	7,167	-	7,167
Repurchase of own shares	-	(378)	-	-	(378)	-	(378)
Dividends	-	4,019	-	(4,019)	-	-	-
At 31/12/2015	49,200	(823)	5,178	48,529	102,084	-	102,084
<u>Cumulative quarter ended 31/12/2014-Audited</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 year	-	-	-	6,675	6,675	443	7,118
At 31/12/2014	49,200	(4,464)	5,178	50,233	100,147	2,348	102,495

(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

	Cumulative quarter ended 31/12/15 (Unaudited) RM'000	Cumulative quarter ended 31/12/14 (Audited) RM'000
Profit before tax	6,679	8,841
Adjustment for non-cash flow:-		
Non-cash items	5,985	5,343
Non-operating items (which are investing/financing)	2,935	2,605
Operating profit before changes in working capital	<u>15,599</u>	<u>16,789</u>
Changes in working capital		
Net change in inventories	6,150	(2,283)
Net change in receivables	7,885	(2,859)
Net change in payables	(751)	(1,109)
Cash flows from operation	<u>28,883</u>	<u>10,538</u>
Tax paid	(1,702)	(1,465)
Interest paid	(2,992)	(2,664)
Net cash from operating activities	<u>24,189</u>	<u>6,409</u>
Investing Activities		
Interest received	57	59
Purchase of property, plant and equipment	(15,624)	(14,894)
Acquisition of subsidiary	(7,200)	-
Net cash (used in) investing activities	<u>(22,749)</u>	<u>(14,835)</u>
Financing Activities		
Proceeds from borrowings	105,197	12,576
Repayment of borrowings	(105,457)	(9,452)
Net cash from/(used in) financing activities	<u>(633)</u>	<u>3,124</u>
Net Change in Cash & Cash Equivalents	807	(5,302)
Cash & Cash Equivalents at beginning of the year	1,171	6,436
Cash & Cash Equivalents at end of the year	<u>1,978</u>	<u>1,171</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,000	1,000
Cash and bank balances	978	171
	<u>1,978</u>	<u>1,171</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:-

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		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.

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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 reported in prior periods 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 31 Dec 2015 and 31 Dec 2014 are as follows:-

31 Dec 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	-	82,421	11,220	118,606	-	212,247
Inter-segment revenue	-	2,593	1,896	-	(4,489)	-
	-	85,014	13,116	118,606	(4,489)	212,247
Segment Results						
Segment results	(467)	5,563	2,877	2,729	(1,088)	9,614
Operating profit						9,614
Interest revenue						57
Interest expense						(2,992)
Taxation						488
Net profit for the year						7,167

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31 Dec 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	-	52,899	39,999	121,410	-	214,308
Inter-segment revenue	500	22,881	132	-	(23,513)	-
	<u>500</u>	<u>75,780</u>	<u>40,131</u>	<u>121,410</u>	<u>(23,513)</u>	<u>214,308</u>
Segment Results						
Segment results	(394)	7,034	1,689	3,464	(346)	11,447
Operating profit						<u>11,447</u>
Interest revenue						59
Interest expense						(2,664)
Taxation						<u>(1,724)</u>
Net profit for the year						<u>7,118</u>

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 RM48,218,000 as at 31 Dec 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 46.9 million as compared to RM 42.1 million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM 2.0 million as compared to RM 3.5 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded higher at RM19.7 million as compared to preceding year corresponding quarter of RM 23.7 million. The profit before tax recorded at RM 0.5 million in current quarter as compared to RM 3.0 million in preceding year corresponding quarter. The lower profit before tax in current quarter was mainly due to lower sales achieved.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter increased to RM 27.2 million as compared to RM 18.4 million in preceding year corresponding quarter. The profit before tax for this quarter registered higher at RM 1.5 million as compared to RM 0.5 million in preceding year corresponding quarter. The higher profit before tax was due to higher sales achieved in 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 recorded lower at RM 2.0 million as compared with RM 2.5 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly due to the lower sales achieved in manufacturing 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.

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16. Profit for the period/ year

Profit for the period/ year 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
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Interest income	(16)	(49)	(57)	(59)
Other income	(825)	(1,436)	(2,917)	(4,053)
Interest expenses	695	687	2,992	2,664
Depreciation of property, plant & equipment	1,441	1,207	5,553	4,587
Foreign exchange (gain)/loss - realised	(235)	(828)	(725)	(2,165)
Foreign exchange (gain)/loss - unrealised	7	(316)	7	(316)

17. Taxation

Taxation comprises the following:-

Particulars	Current year quarter 31/12/2015 RM'000	Current year to date 31/12/2015 RM'000
Based on results for the period/ year	119	1,112
Origination / (reversal) of temporary differences	(1,768)	(1,600)
	(1,649)	(488)
Under/(Over) provision in prior period	-	-
Tax expense	(1,649)	(488)

The effective tax rate for the current quarter and financial year-to-date was lower than the statutory tax rate mainly due to availability and utilisation of Group Tax relief and recognition of deferred tax assets for palm oil mill segment.

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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

Group Borrowings as at 31-Dec-15	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	861	3,222	4,083
Revolving credit	-	3,600	3,600
Bankers' acceptance	-	11,977	11,977
Hire purchase loans	258	-	258
Term loans	2,662	-	2,662
	<u>3,781</u>	<u>18,799</u>	<u>22,580</u>
Long term borrowings			
Hire purchase loans	309	-	309
Term loans	25,329	-	25,329
	<u>25,638</u>	<u>-</u>	<u>25,638</u>
Total Borrowings	<u>29,419</u>	<u>18,799</u>	<u>48,218</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.

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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 are 193,677,344 for current quarter and 189,552,392 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 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	92,887	88,688
-Unrealised	(1,329)	(1,013)
	<hr/> 91,558	<hr/> 87,675
Less: Consolidation adjustments	(43,029)	(37,442)
	<hr/> 48,529	<hr/> 50,233
Total Group retained profit as per consolidated accounts	<hr/> 48,529	<hr/> 50,233