

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

**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) 30/6/16 RM'000</b>	<b>(Unaudited) 30/6/15 RM'000</b>	<b>(Unaudited) 30/6/16 RM'000</b>	<b>(Unaudited) 30/6/15 RM'000</b>
Revenue	51,957	51,590	95,274	104,560
Cost Of Sales	(47,936)	(47,640)	(87,106)	(95,332)
Gross Profit	4,021	3,950	8,168	9,228
Other Income	1,153	541	2,022	963
Distribution Costs	(2,020)	(1,725)	(3,944)	(3,813)
Administrative Expenses	(1,207)	(1,319)	(2,579)	(2,602)
Other Expenses	(155)	111	(282)	(63)
Finance Costs	(706)	(685)	(1,435)	(1,454)
Profit Before Tax	1,086	873	1,950	2,259
Income tax Expense	(348)	(247)	(704)	(750)
Profit For The Period	738	626	1,246	1,509
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	738	626	1,246	1,509
Attributable to:				
Equity Holders Of The Parent	738	626	1,246	1,509
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income For The Period	738	626	1,246	1,509
EPS - Basic (sen)	0.38	0.34	0.64	0.79
- 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 2015 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 30/6/2016

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter 30/6/16 RM'000</b>	<b>As at preceding financial year end 31/12/15 RM'000</b>
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	93,432	91,596
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	1,618	1,941
	<u>101,175</u>	<u>99,662</u>
Current Assets		
Inventories	33,548	33,501
Trade receivables	22,558	21,525
Other receivables	2,869	4,844
Tax assets	1,287	1,068
Cash and bank balances	9,655	6,061
	<u>69,917</u>	<u>66,999</u>
Total Assets	<u><u>171,092</u></u>	<u><u>166,661</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(837)	(823)
Other reserves	5,178	5,178
Retained earnings	49,798	48,552
Total equity	<u>103,339</u>	<u>102,107</u>
Non Current Liabilities		
Long term borrowings	24,013	25,600
Deferred tax liabilities	3,621	3,643
	<u>27,634</u>	<u>29,243</u>
Current Liabilities		
Trade and other payables	14,332	12,193
Short term provisions	510	510
Short term borrowings	25,277	22,608
	<u>40,119</u>	<u>35,311</u>
Total Liabilities	67,753	64,554
Total Equity And Liabilities	<u><u>171,092</u></u>	<u><u>166,661</u></u>
Net Assets Per Share (RM)	0.53	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 2015 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 30/6/2016

**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 30/6/2016- Unaudited</u></b>							
At 01/01/2016	49,200	(823)	5,178	48,552	102,107	-	102,107
Profit for the period	-	-	-	1,246	1,246	-	1,246
Repurchase of own shares	-	(14)	-	-	(14)	-	(14)
At 30/06/2016	<u>49,200</u>	<u>(837)</u>	<u>5,178</u>	<u>49,798</u>	<u>103,339</u>	<u>-</u>	<u>103,339</u>
<b><u>Cumulative quarter ended 30/6/2015- 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				(4,852)	(4,852)	(2,348)	(7,200)
Profit for the period	-	-	-	1,509	1,509	-	1,509
Dividends	-	4,019	-	(4,019)	-	-	-
At 30/06/2015	<u>49,200</u>	<u>(445)</u>	<u>5,178</u>	<u>42,871</u>	<u>96,804</u>	<u>-</u>	<u>96,804</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 2015 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 30/6/2016

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 30/6/16 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 30/6/15 (Unaudited) RM'000</b>
Profit before tax	1,950	2,929
Adjustment for non-cash flow:-		
Non-cash items	2,743	777
Non-operating items (which are investing/financing)	1,338	1,373
Operating profit before changes in working capital	<u>6,031</u>	<u>5,079</u>
Changes in working capital		
Net change in inventories	(47)	2,483
Net change in receivables	966	4,462
Net change in payables	2,139	3,452
Cash flows from operation	<u>9,089</u>	<u>15,476</u>
Tax paid	(624)	(913)
Interest paid	<u>(1,363)</u>	<u>(1,079)</u>
Net cash from operating activities	<u>7,102</u>	<u>13,484</u>
Investing Activities		
Interest received	25	10
Purchase of property, plant and equipment	(4,580)	(2,042)
Acquisition of subsidiary	-	(7,200)
Net cash (used in) investing activities	<u>(4,555)</u>	<u>(9,232)</u>
Financing Activities		
Proceeds from borrowings	49,570	40,820
Repayment of borrowings	<u>(49,948)</u>	<u>(40,877)</u>
Net cash from/(used in) financing activities	<u>(392)</u>	<u>(57)</u>
Net Change in Cash & Cash Equivalents	2,155	4,195
Cash & Cash Equivalents at beginning of the period	1,969	1,171
Cash & Cash Equivalents at end of the period	<u>4,124</u>	<u>5,366</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	6,100	1,000
Cash and bank balances	<u>(1,976)</u>	<u>4,366</u>
	<u>4,124</u>	<u>5,366</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 2015 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 2015 except for the:

(i) **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:-

		<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 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
<b>Amendments/Improvements to MFRSs</b>		
MFRS 107	Disclosure Initiative	1 January 2017
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

**2. Audit Report of Preceding Annual Financial Statements**

The audit report of the annual financial statements of the Group for the financial year ended 31 December 2015 was not subject to any qualification.

**3. 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.

**4. 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.

**5. 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.

**6. 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.

**7. Dividend paid**

There was no dividend paid in the current quarter.

**8. Segmental reporting**

The segmental analysis for the Group for the financial year-to-date ended 30 June 2016 and 30 June 2015 are as follows:-

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

30 June 2016	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	-	32,963	(19)	62,330	-	95,274
Inter-segment revenue	-	(5)	-	-	5	-
	-	32,958	(19)	62,330	5	95,274
<b>Segment Results</b>						
Segment results	(244)	2,151	16	1,586	(221)	3,288
Operating profit						3,288
Interest revenue						25
Interest expense						(1,363)
Taxation						(704)
Net profit for the period						1,246

30 June 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	-	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
<b>Segment Results</b>						
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

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

**9. 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.

**10. 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.

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter.

**12. 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 RM49,290,000 as at 30 June 2016 (31 December 2015 : RM48,208,000).

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

During the quarter under review, the Group's revenue recorded at RM52.0 million as compared to RM 51.6 million in preceding year corresponding quarter. The profit before tax in current quarter recorded higher at RM 1.1 million as compared to RM 0.9 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded lower at RM17.5 million as compared to preceding year corresponding quarter of RM 20.5 million. The profit before tax recorded lower at RM 0.3 million in current quarter as compared to RM 0.5 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 34.5 million as compared to RM 31.1 million in preceding year corresponding quarter. The profit before tax for this quarter registered higher at RM 0.8 million as compared to RM 0.4 million in preceding year corresponding quarter. The higher profit before tax was mainly attributed to the increase in other income, comprising incidental revenue from sale of oil palm fibre 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 July 2016 and the date of this report.

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

**14. 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 higher at RM 1.1 million as compared with RM 0.9 million in immediate preceding quarter. The higher profit before tax in current quarter was mainly due to the higher other income recorded in Palm Oil Mill segment.

**15. Current year prospect**

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

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

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

**17. Profit for the period**

Profit for the period is arrived at after charging/(crediting):

	<b>Current year Quarter ended</b>	<b>Preceding year Corresponding Quarter ended</b>	<b>Cumulative Quarter Current year to date</b>	<b>Cumulative Quarter Preceding year to date</b>
	<b>30/6/2016 RM'000</b>	<b>30/6/2015 RM'000</b>	<b>30/6/2016 RM'000</b>	<b>30/6/2015 RM'000</b>
Depreciation of property, plant & equipment	1,324	893	2,762	2,524
Interest expenses	677	648	1,363	1,383
Foreign exchange (gain)/loss - realised	63	(195)	14	(79)
Interest income	(16)	(5)	(25)	(10)
Other income	(996)	(546)	(1,807)	(963)

**18. Taxation**

Taxation comprises the following:-

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

Particulars	Current year quarter	Current year quarter	Current year to date	Current year to date
	2016-06-30 RM'000	2015-06-30 RM'000	2016-06-30 RM'000	2015-06-30 RM'000
Based on results for the period	12	291	381	555
Origination / (reversal) of temporary differences	336	(44)	323	195
	348	247	704	750
Under/(Over) provision in prior period	-	-	-	-
Tax expense	348	247	704	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.

**19. Status of corporate proposals**

There was no corporate proposal announced for the current quarter and financial year-to-date.

**20. Group borrowings and debt securities**

<b>Group Borrowings as at 30-Jun-16</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	2,808	2,723	5,531
Revolving credit	-	3,100	3,100
Bankers' acceptance	3,892	9,663	13,555
Hire purchase loans	280	-	280
Term loans	2,811	-	2,811
	<u>9,791</u>	<u>15,486</u>	<u>25,277</u>
<b>Long term borrowings</b>			
Hire purchase loans	155	-	155
Term loans	23,858	-	23,858
	<u>24,013</u>	<u>-</u>	<u>24,013</u>
<b>Total Borrowings</b>	<u>33,804</u>	<u>15,486</u>	<u>49,290</u>

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

<b>Group Borrowings as at 31-Dec-15</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	1,682	2,410	4,092
Revolving credit	1,000	2,600	3,600
Bankers' acceptance	4,562	7,416	11,978
Hire purchase loans	258	-	258
Term loans	2,680	-	2,680
	<u>10,182</u>	<u>12,426</u>	<u>22,608</u>
<b>Long term borrowings</b>			
Hire purchase loans	287	-	287
Term loans	25,313	-	25,313
	<u>25,600</u>	<u>-</u>	<u>25,600</u>
<b>Total Borrowings</b>	<u>35,782</u>	<u>12,426</u>	<u>48,208</u>

The above Group borrowings are denominated in Ringgit Malaysia.

**21. Material pending litigation**

There were no material litigations pending since the last annual financial statement.

**22. Dividend**

There was no dividend declared or recommended for the current quarter and financial year-to-date.

**23. 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 186,470,486 for current quarter and 193,635,426 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period are 186,470,486 and 189,890,381 respectively.

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

Quarterly Report on consolidated results for the second quarter ended 30/6/2016

**24. 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 30/6/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	93,033	91,157
-Unrealised	152	583
	<hr/> 93,185	<hr/> 91,740
Less: Consolidation adjustments	(43,387)	(43,188)
	<hr/> 49,798	<hr/> 48,552
Total Group retained profit as per consolidated accounts	<hr/> <hr/> 49,798	<hr/> <hr/> 48,552