

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the third quarter ended 30/9/2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended	Preceding year corresponding quarter ended	Current year to date	Preceding year corresponding period
	(Unaudited) 30/9/16 RM'000	(Unaudited) 30/9/15 RM'000	(Unaudited) 30/9/16 RM'000	(Unaudited) 30/9/15 RM'000
Revenue	53,930	60,774	149,204	165,334
Cost Of Sales	(49,258)	(54,505)	(136,364)	(149,837)
Gross Profit	4,672	6,269	12,840	15,497
Other Income	1,077	1,129	3,099	2,092
Distribution Costs	(1,810)	(2,454)	(5,754)	(6,267)
Administrative Expenses	(1,228)	(1,514)	(3,807)	(4,116)
Other Expenses	53	(27)	(229)	(90)
Finance Costs	(632)	(937)	(2,067)	(2,391)
Profit Before Tax	2,132	2,466	4,082	4,725
Income tax Expense	(694)	(411)	(1,398)	(1,161)
Profit For The Period	1,438	2,055	2,684	3,564
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	1,438	2,055	2,684	3,564
Attributable to:				
Equity Holders Of The				
Parent	1,438	2,055	2,684	3,564
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income For The Period	1,438	2,055	2,684	3,564
EPS - Basic (sen)	0.74	1.06	1.39	1.88
- 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 third quarter ended 30/9/2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 30/9/16 RM'000	As at preceding financial year end 31/12/15 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	92,937	91,596
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	1,136	1,941
	<u>100,198</u>	<u>99,662</u>
Current Assets		
Inventories	32,455	33,501
Trade receivables	21,979	21,525
Other receivables	2,829	4,844
Tax assets	1,350	1,068
Cash and bank balances	7,376	6,061
	<u>65,989</u>	<u>66,999</u>
Total Assets	<u>166,187</u>	<u>166,661</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(1,146)	(823)
Other reserves	5,178	5,178
Retained earnings	51,236	48,552
Total equity	<u>104,468</u>	<u>102,107</u>
Non Current Liabilities		
Long term borrowings	23,526	25,600
Deferred tax liabilities	3,611	3,643
	<u>27,137</u>	<u>29,243</u>
Current Liabilities		
Trade and other payables	11,742	12,193
Short term provisions	510	510
Short term borrowings	22,330	22,608
	<u>34,582</u>	<u>35,311</u>
Total Liabilities	61,719	64,554
Total Equity And Liabilities	<u>166,187</u>	<u>166,661</u>
Net Assets Per Share (RM)	0.54	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)

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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 30/9/2016- Unaudited</u>							
At 01/01/2016	49,200	(823)	5,178	48,552	102,107	-	102,107
Profit for the period	-	-	-	2,684	2,684	-	2,684
Repurchase of own shares	-	(323)	-	-	(323)	-	(323)
At 30/09/2016	<u>49,200</u>	<u>(1,146)</u>	<u>5,178</u>	<u>51,236</u>	<u>104,468</u>	<u>-</u>	<u>104,468</u>
<u>Cumulative quarter ended 30/9/2015- 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	-	-	-	(4,852)	(4,852)	(2,348)	(7,200)
Profit for the period	-	-	-	3,564	3,564	-	3,564
Repurchase of own shares	-	(378)	-	-	(378)	-	(378)
Dividends	-	4,019	-	(4,019)	-	-	-
At 30/09/2015	<u>49,200</u>	<u>(823)</u>	<u>5,178</u>	<u>44,926</u>	<u>98,481</u>	<u>-</u>	<u>98,481</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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/9/16 (Unaudited) RM'000	Cumulative quarter ended 30/9/15 (Unaudited) RM'000
Profit before tax	4,082	4,725
Adjustment for non-cash flow:-		
Non-cash items	4,191	4,095
Non-operating items (which are investing/financing)	1,924	2,256
Operating profit before changes in working capital	<u>10,197</u>	<u>11,076</u>
Changes in working capital		
Net change in inventories	1,046	6,474
Net change in receivables	2,703	3,193
Net change in payables	(451)	(1,151)
Cash flows from operation	<u>13,495</u>	<u>19,592</u>
Tax paid	(909)	(1,317)
Interest paid	(1,968)	(2,297)
Net cash from operating activities	<u>10,618</u>	<u>15,978</u>
Investing Activities		
Interest received	44	41
Purchase of property, plant and equipment	(5,677)	(10,945)
Acquisition of subsidiary	-	(7,200)
Net cash (used in) investing activities	<u>(5,486)</u>	<u>(18,086)</u>
Financing Activities		
Proceeds from borrowings	67,801	83,358
Repayment of borrowings	(71,550)	(77,830)
Net cash (used in)/from financing activities	<u>(4,072)</u>	<u>5,528</u>
Net Change in Cash & Cash Equivalents	1,060	3,420
Cash & Cash Equivalents at beginning of the period	849	1,171
Cash & Cash Equivalents at end of the period	<u>1,909</u>	<u>4,591</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	5,360	1,000
Cash and bank balances	(3,451)	3,591
	<u>1,909</u>	<u>4,591</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:-

		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 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments/Improvements to MFRSs		
MFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
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.

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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 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.

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 September 2016 and 30 September 2015 are as follows:-

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30 September 2016	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	-	47,291	(30)	101,943	-	149,204
Inter-segment revenue	-	14	18	-	(32)	-
	-	47,305	(12)	101,943	(32)	149,204
Segment Results						
Segment results	(323)	3,079	(19)	3,627	(358)	6,006
Operating profit						6,006
Interest revenue						44
Interest expense						(1,968)
Taxation						(1,398)
Net profit for the period						2,684

30 Sep 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	-	63,580	10,303	91,451	-	165,334
Inter-segment revenue	-	5,002	1,508	-	(6,510)	-
	-	68,582	11,811	91,451	(6,510)	165,334
Segment Results						
Segment results	(273)	3,672	837	2,023	722	6,981
Operating profit						6,981
Interest revenue						41
Interest expense						(2,297)
Taxation						(1,161)
Net profit for the period						3,564

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 RM45,856,000 as at 30 September 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 RM 53.9 million as compared to RM 60.8 million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM 4.7 million as compared to RM 6.3 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded lower at RM14.3 million as compared to preceding year corresponding quarter of RM 26.2 million. The profit before tax recorded lower at RM 0.2 million in current quarter as compared to RM 0.4 million in preceding year corresponding quarter. The lower profit was mainly due to lower revenue recorded in the quarter under review.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter increased to RM 39.6 million as compared to RM 34.6 million in preceding year corresponding quarter. The profit before tax for this quarter registered lower at RM 1.9 million as compared to RM 2.1 million in preceding year corresponding quarter. The lower profit before tax was mainly attributed to the lower profit margin 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 Oct 2016 and the date of this report.

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 2.1 million as compared with RM 1.1 million in immediate preceding quarter. The higher profit before tax in current quarter was mainly due to increase in sales contribution from high profit margin products in all segments and also higher sales achieved in Palm Oil Mill Segment.

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15. Current year prospect

The Group remains optimistic on its performance for the coming quarter.

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):

	Current year Quarter ended	Preceding year Corresponding Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Preceding year to date
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Depreciation of property, plant & equipment	1,427	1,588	4,189	4,112
Interest expenses	605	914	1,968	2,297
Foreign exchange (gain)/loss - realised	(100)	(411)	(86)	(490)
Interest income	(19)	(31)	(44)	(41)
Other income	(1,162)	(1,129)	(2,969)	(2,092)

18. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year quarter	Current year to date	Current year to date
	30/09/2016 RM'000	30/09/2015 RM'000	30/09/2016 RM'000	30/09/2015 RM'000
Based on results for the period	244	438	625	993
Origination / (reversal) of temporary differences	450	(27)	773	168
	694	411	1,398	1,161
Under/(Over) provision in prior period	-	-	-	-
Tax expense	694	411	1,398	1,161

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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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

Group Borrowings as at 30-Sep-16	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	1,351	4,116	5,467
Revolving credit	-	3,100	3,100
Bankers' acceptance	2,914	7,945	10,859
Hire purchase loans	198	-	198
Term loans	2,706	-	2,706
	<u>7,169</u>	<u>15,161</u>	<u>22,330</u>
Long term borrowings			
Hire purchase loans	246	-	246
Term loans	23,280	-	23,280
	<u>23,526</u>	<u>-</u>	<u>23,526</u>
Total Borrowings	<u>30,695</u>	<u>15,161</u>	<u>45,856</u>

Group Borrowings as at 31-Dec-15	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
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>
Long term borrowings			
Hire purchase loans	287	-	287
Term loans	25,313	-	25,313
	<u>25,600</u>	<u>-</u>	<u>25,600</u>
Total Borrowings	<u>35,782</u>	<u>12,426</u>	<u>48,208</u>

The above Group borrowings are denominated in Ringgit Malaysia.

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21. Material pending litigation

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

22. Dividend

The Board of Directors has declared first interim single tier dividend of 1 sen per share in respect of the financial year ending 31 December 2016, which will be paid on 23 December 2016 to shareholders whose names appear on the Record of Depositors on 9 December 2016.

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 9 December 2016 in respect of transfers.
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

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 193,263,024 for current quarter and 193,271,084 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period are 194,662,201 and 189,552,392 respectively.

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:-

	As at 30/9/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	95,081	91,157
-Unrealised	(330)	583
	<hr/> 94,751	<hr/> 91,740
Less: Consolidation adjustments	(43,515)	(43,188)
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Total Group retained profit as per consolidated accounts	51,236	48,552
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