

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended (Unaudited) 31/12/16 RM'000	Preceding year corresponding quarter ended (Audited) 31/12/15 RM'000	Current year to date (Unaudited) 31/12/16 RM'000	Preceding year corresponding period (Audited) 31/12/15 RM'000
Revenue	51,174	46,913	200,378	212,247
Cost Of Sales	(46,896)	(40,320)	(183,260)	(190,157)
Gross Profit	4,278	6,593	17,118	22,090
Other Income	1,335	861	4,434	2,953
Distribution Costs	(2,335)	(2,289)	(8,089)	(8,556)
Administrative Expenses	(1,966)	(2,122)	(5,773)	(6,238)
Other Expenses	(165)	(276)	(394)	(366)
Finance Costs	(641)	(733)	(2,708)	(3,124)
Profit Before Tax	506	2,034	4,588	6,759
Income tax Expense	(997)	1,592	(2,395)	431
(Loss)/ Profit For The Period/Year	<u>(491)</u>	<u>3,626</u>	<u>2,193</u>	<u>7,190</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period/Year	<u>(491)</u>	<u>3,626</u>	<u>2,193</u>	<u>7,190</u>
Attributable to:				
Equity Holders Of The				
Parent	(491)	3,626	2,193	7,190
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income For The Period/Year	<u>(491)</u>	<u>3,626</u>	<u>2,193</u>	<u>7,190</u>
EPS - Basic (sen)	(0.26)	1.82	1.14	3.70
- 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 fourth quarter ended 31/12/2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 31/12/16 RM'000	As at preceding financial year end 31/12/15 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	93,047	91,596
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	227	1,941
	<u>99,399</u>	<u>99,662</u>
Current Assets		
Inventories	34,275	33,501
Trade receivables	19,748	21,525
Other receivables	1,697	4,844
Tax assets	1,119	1,068
Cash and bank balances	6,314	6,061
	<u>63,153</u>	<u>66,999</u>
Total Assets	<u>162,552</u>	<u>166,661</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(1,382)	(823)
Other reserves	5,178	5,178
Retained earnings	48,826	48,552
Total equity	<u>101,822</u>	<u>102,107</u>
Non Current Liabilities		
Long term borrowings	22,772	25,600
Deferred tax liabilities	3,515	3,643
	<u>26,287</u>	<u>29,243</u>
Current Liabilities		
Trade and other payables	13,227	12,193
Short term provisions	491	510
Short term borrowings	20,725	22,608
	<u>34,443</u>	<u>35,311</u>
Total Liabilities	<u>60,730</u>	<u>64,554</u>
Total Equity And Liabilities	<u>162,552</u>	<u>166,661</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 fourth quarter ended 31/12/2016

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
<u>Cumulative quarter ended 31/12/2016- Unaudited</u>							
At 01/01/2016	49,200	(823)	5,178	48,552	102,107	-	102,107
Profit for the year	-	-	-	2,193	2,193	-	2,193
Repurchase of own shares	-	(559)	-	-	(559)	-	(559)
Dividends	-	-	-	(1,919)	(1,919)	-	(1,919)
At 31/12/2016	<u>49,200</u>	<u>(1,382)</u>	<u>5,178</u>	<u>48,826</u>	<u>101,822</u>	<u>-</u>	<u>101,822</u>
<u>Cumulative quarter ended 31/12/2015- Audited</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	-	-	-	7,190	7,190	-	7,190
Repurchase of own shares	-	(378)	-	-	(378)	-	(378)
Dividends	-	4,019	-	(4,019)	-	-	-
At 31/12/2015	<u>49,200</u>	<u>(823)</u>	<u>5,178</u>	<u>48,552</u>	<u>102,107</u>	<u>-</u>	<u>102,107</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 fourth quarter ended 31/12/2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 31/12/16 (Unaudited) RM'000	Cumulative quarter ended 31/12/15 (Audited) RM'000
Profit before tax	4,588	6,759
Adjustment for non-cash flow:-		
Non-cash items	5,644	5,736
Non-operating items (which are investing/financing)	2,432	2,932
Operating profit before changes in working capital	<u>12,664</u>	<u>15,427</u>
Changes in working capital		
Net change in inventories	(774)	6,149
Net change in receivables	6,054	5,882
Net change in payables	1,034	1,059
Cash flows from operation	<u>18,978</u>	<u>28,517</u>
Tax paid	(1,245)	(1,852)
Interest paid	<u>(2,488)</u>	<u>(2,992)</u>
Net cash from operating activities	<u>15,245</u>	<u>23,673</u>
Investing Activities		
Interest received	56	60
Purchase of property, plant and equipment	(7,056)	(10,354)
Acquisition of subsidiary	-	(7,200)
Net cash (used in) investing activities	<u>(6,866)</u>	<u>(17,475)</u>
Financing Activities		
Proceeds from borrowings	85,943	105,197
Repayment of borrowings	(92,277)	(110,602)
Net cash (used in) financing activities	<u>(8,812)</u>	<u>(5,783)</u>
Net Change in Cash & Cash Equivalents	(433)	415
Cash & Cash Equivalents at beginning of the year	849	1,171
Cash & Cash Equivalents at end of the year	<u>416</u>	<u>1,969</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	4,700	1,129
Cash and bank balances	1,614	4,932
Bank overdrafts	<u>(5,898)</u>	<u>(4,092)</u>
	<u>416</u>	<u>1,969</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
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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 fourth quarter ended 31/12/2016

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 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

Dividends paid by the Company during the financial year was first interim single tier dividend of 1 sen per share in respect of the financial year ending 31 December 2016, declared on 25 November 2016 and paid on 23 December 2016 to shareholders whose names appear on the Record of Depositors on 9 December 2016.

8. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 31 December 2016 and 31 December 2015 are as follows:-

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

31 December 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	-	62,090	(27)	138,315	-	200,378
Inter-segment revenue	2,000	(17)	13	-	(1,996)	-
	<u>2,000</u>	<u>62,073</u>	<u>(14)</u>	<u>138,315</u>	<u>(1,996)</u>	<u>200,378</u>
Segment Results						
Segment results	1,435	2,990	26	5,069	(2,500)	<u>7,020</u>
Operating profit						7,020
Interest revenue						56
Interest expense						(2,488)
Taxation						(2,395)
Net profit for the year						<u><u>2,193</u></u>

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	-	82,422	11,219	118,606	-	212,247
Inter-segment revenue	4,100	2,592	1,896	-	(8,588)	-
	<u>4,100</u>	<u>85,014</u>	<u>13,115</u>	<u>118,606</u>	<u>(8,588)</u>	<u>212,247</u>
Segment Results						
Segment results	3,633	4,803	2,882	3,644	(5,271)	<u>9,691</u>
Operating profit						9,691
Interest revenue						60
Interest expense						(2,992)
Taxation						431
Net profit for the year						<u><u>7,190</u></u>

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, except for :

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

The Company had, on 22 February 2017 acquired two (2) ordinary shares of RM1.00 each in the capital of Future Atlas Sdn Bhd (Company No. 1212443-T) (“FASB”), representing the entire issued and paid-up share capital of FASB for a total cash consideration of RM2.00 only (“Acquisition”). Upon the Acquisition, FASB shall become a wholly-owned subsidiary of CAM.

FASB was incorporated as a private company in Malaysia on 15 December 2016. It has an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each of which RM2.00 comprising two (2) ordinary shares of RM1.00 each have been issued and fully paid-up. FASB is presently dormant and its intended principal activity of FASB will be decided at a later stage.

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 RM43,497,000 as at 31 December 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 51.2 million as compared to RM 46.9 million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM 0.5 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 lower at RM14.9 million as compared to preceding year corresponding quarter of RM 19.6 million. The loss before tax recorded at RM 0.8 million in current quarter was mainly due to lower revenue recorded and also lower sales contribution from higher profit margin products in the quarter under review.

Palm Oil Mill

The palm oil mill segment’s revenue in current quarter increased to RM 36.3 million as compared to RM 27.3 million in preceding year corresponding quarter. The profit before tax for this quarter registered at RM 1.3 million as compared to RM0.4 million in preceding year corresponding quarter. The higher profit before tax was mainly attributed to the higher sales achieved in the quarter under review.

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

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 Jan 2017 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 lower at RM 0.5 million as compared with RM 2.1 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly due to increase in operational costs in all segments and also lower sales achieved in manufacturing segment.

15. Current year prospect

The Group remains optimistic on its performance in the coming 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/year

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
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Depreciation of property, plant & equipment	1,513	1,458	5,702	5,570
Interest expenses	520	695	2,488	2,992
Foreign exchange (gain)/loss - realised	(67)	(211)	(153)	(701)
Interest income	(12)	(19)	(56)	(60)
Other income	(1,250)	8	(4,219)	(2,084)
Foreign exchange (gain)/loss - unrealised	(6)	(108)	(6)	(108)

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

18. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Preceding year quarter	Cumulative Quarter Current year to date	Cumulative Quarter Preceding year to date
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Based on results for the period/year	184	157	809	1,150
Origination / (reversal) of temporary differences	813	(1,702)	1,586	(1,534)
	997	(1,545)	2,395	(384)
Under/(Over) provision in prior period/year	-	-	-	(47)
Tax expense	997	(1,545)	2,395	(431)

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

Group Borrowings as at 31-Dec-16	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	2,740	3,158	5,898
Revolving credit	-	3,000	3,000
Bankers' acceptance	2,781	6,048	8,829
Hire purchase loans	225	-	225
Term loans	2,773	-	2,773
	<u>8,519</u>	<u>12,206</u>	<u>20,725</u>
Long term borrowings			
Hire purchase loans	255	-	255
Term loans	22,517	-	22,517
	<u>22,772</u>	<u>-</u>	<u>22,772</u>
Total Borrowings	<u>31,291</u>	<u>12,206</u>	<u>43,497</u>

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

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.

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.

23. Earnings per share

- 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.
- The weighted average number of shares used as the denominator in calculating basic earnings per share is 192,544,240 for current quarter and 193,158,288 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period are 199,701,290 and 194,505,439 respectively.

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2016

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:-

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	92,012	91,157
-Unrealised	407	583
	<hr/> 92,419	<hr/> 91,740
Less: Consolidation adjustments	(43,593)	(43,188)
	<hr/>	<hr/>
Total Group retained profit as per consolidated accounts	48,826	48,552
	<hr/>	<hr/>