

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

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2017

**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) 31/12/17 RM'000</b>	<b>(Unaudited) 31/12/16 RM'000</b>	<b>(Unaudited) 31/12/17 RM'000</b>	<b>(Audited) 31/12/16 RM'000</b>
Revenue	65,152	53,374	259,451	202,578
Cost Of Sales	(56,935)	(46,838)	(234,905)	(183,202)
Gross Profit	8,217	6,536	24,546	19,376
Other Income	503	(994)	2,471	2,105
Distribution Costs	(2,110)	(2,333)	(8,016)	(8,087)
Administrative Expenses	(1,737)	(2,026)	(5,833)	(5,833)
Other Expenses	(926)	(36)	(1,089)	(265)
Finance Costs	(703)	(641)	(2,636)	(2,708)
Profit Before Tax	3,244	506	9,443	4,588
Income tax Expense	(1,647)	(997)	(3,374)	(2,395)
Profit For The Period/Year	<u>1,597</u>	<u>(491)</u>	<u>6,069</u>	<u>2,193</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period/Year	<u>1,597</u>	<u>(491)</u>	<u>6,069</u>	<u>2,193</u>
Attributable to:				
Equity Holders Of The Parent	1,597	(491)	6,069	2,193
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income For The Period/Year	<u>1,597</u>	<u>(491)</u>	<u>6,069</u>	<u>2,193</u>
EPS - Basic (sen)	0.83	(0.25)	3.16	1.14
- 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 2016 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter 31/12/17 RM'000</b>	<b>As at preceding financial year end 31/12/16 RM'000</b>
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	94,118	93,001
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	110	271
	<u>100,353</u>	<u>99,397</u>
Current Assets		
Inventories	36,714	34,275
Trade receivables	18,002	19,792
Other receivables	2,152	2,163
Tax assets	1,060	1,143
Cash and bank balances	19,663	6,464
	<u>77,591</u>	<u>63,837</u>
Total Assets	<u><u>177,944</u></u>	<u><u>163,234</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	54,378	49,200
Treasury shares, at cost	(1,382)	(1,382)
Other reserves	-	5,178
Retained earnings	54,895	48,826
Total equity	<u>107,891</u>	<u>101,822</u>
Non Current Liabilities		
Long term borrowings	25,163	22,612
Deferred tax liabilities	6,267	3,536
	<u>31,430</u>	<u>26,148</u>
Current Liabilities		
Trade and other payables	12,846	13,540
Short term provisions	449	491
Short term borrowings	25,328	21,233
	<u>38,623</u>	<u>35,264</u>
Total Liabilities	70,053	61,412
Total Equity And Liabilities	<u><u>177,944</u></u>	<u><u>163,234</u></u>
Net Assets Per Share (RM)	0.56	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 2016 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 Equity RM'000
<b><u>Cumulative quarter ended 31/12/2017- Unaudited</u></b>					
At 01/01/2017	49,200	(1,382)	5,178	48,826	101,822
Profit for the year	-	-	-	6,069	6,069
Adjustments for CA 2016*	5,178	-	(5,178)	-	-
At 31/12/2017	<u>54,378</u>	<u>(1,382)</u>	<u>-</u>	<u>54,895</u>	<u>107,891</u>
<b><u>Cumulative quarter ended 31/12/2016- Audited</u></b>					
At 01/01/2016	49,200	(823)	5,178	48,552	102,107
Profit for the year	-	-	-	2,193	2,193
Repurchase of own shares	-	(559)	-	-	(559)
Dividends	-	-	-	(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>

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital.

Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM5,178,000 for the purposes set out in Section 618(3) of the CA 2016.

(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 2016 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 31/12/17 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 31/12/16 (Audited) RM'000</b>
Profit before tax	9,443	4,588
Adjustment for non-cash flow:-		
Non-cash items	5,929	5,602
Non-operating items (which are investing/financing)	2,308	2,518
Operating profit before changes in working capital	<u>17,680</u>	<u>12,708</u>
Changes in working capital		
Net change in inventories	(2,439)	(774)
Net change in receivables	566	4,012
Net change in payables	(262)	1,368
Cash flows from operation	<u>15,545</u>	<u>17,314</u>
Tax paid	(398)	(906)
Net cash from operating activities	<u>15,147</u>	<u>16,408</u>
Investing Activities		
Change in pledge deposit	-	1,129
Interest received	61	58
Proceed from disposal of property, plant and equipment	44	185
Purchase of property, plant and equipment	(6,931)	(7,042)
Acquisition of subsidiary	(130)	-
Net cash (used in) investing activities	<u>(6,956)</u>	<u>(5,670)</u>
Financing Activities		
Dividend paid	-	(1,919)
Interest paid	(2,369)	(2,576)
Proceeds from borrowings	96,706	85,943
Repayment of borrowings	(91,963)	(91,847)
Repurchase of own shares	-	(559)
Net cash from/(used in) financing activities	<u>2,374</u>	<u>(10,958)</u>
Net Change in Cash & Cash Equivalents	10,565	(220)
Effects of exchange rate changes	(92)	410
Cash & Cash Equivalents at beginning of the period/year	1,030	840
Cash & Cash Equivalents at end of the period/year	<u>11,503</u>	<u>1,030</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	17,950	4,700
Cash and bank balances	1,713	1,764
Bank overdrafts	(8,160)	(5,434)
	<u>11,503</u>	<u>1,030</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 2016 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 2016 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	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<b>Amendments/Improvements to MFRSs</b>		
MFRS 1	Annual Improvements to MFRS Standard 2014 – 2016 Cycle	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangement	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019

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MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
MFRS 140	Investment Property	1 January 2018
<b>New IC Interpretations</b>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

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

**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 2016 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.

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**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 31 Dec 2017 and 31 Dec 2016 are as follows:-

31 Dec 2017	Investment Holding RM'000	Manufacturing and Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>					
External revenue	-	58,269	201,182	-	259,451
Inter-segment revenue	10,430	75	-	(10,505)	-
	<u>10,430</u>	<u>58,344</u>	<u>201,182</u>	<u>(10,505)</u>	<u>259,451</u>
<b>Segment Results</b>					
Segment results	9,986	2,877	10,145	(11,257)	11,751
Operating profit					11,751
Interest revenue					61
Interest expense					(2,369)
Taxation					(3,374)
Net profit for the year					<u>6,069</u>
31 December 2016	Investment Holding RM'000	Manufacturing and Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>					
External revenue	-	62,063	140,515	-	202,578
Inter-segment revenue	2,000	30	-	(2,030)	-
	<u>2,000</u>	<u>62,093</u>	<u>140,515</u>	<u>(2,030)</u>	<u>202,578</u>
<b>Segment Results</b>					
Segment results	1,435	3,101	5,069	(2,499)	7,106
Operating profit					7,106
Interest revenue					58
Interest expense					(2,576)
Taxation					(2,395)
Net profit for the year					<u>2,193</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.

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

The Group announced the completion of acquisition of 50,000 ordinary shares, representing the entire issued and paid-up share capital of Naprogen Sdn Bhd (Company No. 394186-U) (“Naprogen”) on 5 Dec 2017. Upon the Acquisition, Naprogen shall become a wholly-owned subsidiary of the Company. The acquisition of Naprogen will not have any material effect on the share capital and the shareholdings of the substantial shareholders of the Company and is not expected to have a material effect on the net assets, earnings and gearing of the Company for the financial year ended 31 Dec 2017.

**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 RM50,491,000 as at 31 Dec 2017 (31 December 2016 : RM43,845,000).



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

	<b>Current year quarter ended</b>	<b>Preceding year corresponding quarter ended</b>	<b>Changes</b>	
	<b>31/12/17 RM'000</b>	<b>31/12/16 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue				
-Manufacturing and Trading	13,504	14,802	(1,298)	-8.8%
-Palm Oil Mill	51,648	38,572	13,076	33.9%
	<u>65,152</u>	<u>53,374</u>	<u>11,778</u>	<u>22.1%</u>
Profit before tax	3,244	506	2,738	541.1%

The manufacturing and trading segment's revenue in the current quarter stood at RM13.5 million compared to RM14.8 million in the preceding year corresponding quarter. This was mainly due to decrease in sales volume in the quarter under review.

For the palm oil mill segment's revenue increased 33.9% from RM38.6 million recorded in preceding year corresponding quarter to RM51.6 million in the quarter under review which is mainly attributed to the higher production output.

The profit before tax of RM3.2 million recorded higher in the current quarter compared to RM0.5 million in preceding year corresponding quarter was mainly due to higher revenue achieved in the palm oil mill segment.

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 January 2018 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**

	<b>Current year quarter ended</b>	<b>Current year preceding quarter ended</b>	<b>Changes</b>	
	<b>31/12/17 RM'000</b>	<b>30/9/17 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue				
-Manufacturing and Trading	13,504	14,710	(1,206)	-8.2%
-Palm Oil Mill	51,648	52,799	(1,151)	-2.2%
	<u>65,152</u>	<u>67,509</u>	<u>(2,357)</u>	<u>-3.5%</u>
Profit before tax	3,244	3,809	(565)	-14.8%

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The profit before tax for the quarter under review was recorded lower at RM3.2 million as compared to RM3.8 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly due to lower sales achieved in all segments as well as higher operational expenses.

**15. Current year prospect**

The Group continues to improve on its competitiveness in the manufacturing and trading segment and production efficiency in the palm oil mill segment. The Group remains profitable 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/year 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>31-12-2017 RM'000</b>	<b>31-12-2016 RM'000</b>	<b>31-12-2017 RM'000</b>	<b>31-12-2016 RM'000</b>
Depreciation of property, plant & equipment	1,424	1,436	5,462	5,625
Interest expenses	637	608	2,369	2,576
Foreign exchange (gain)/loss - realised	(41)	30	(21)	(56)
Foreign exchange (gain)/loss - unrealised	16	(47)	26	(47)
Allowance for doubtful debts	66	41	66	41
Allowance for doubtful debts no longer required	(9)	(23)	(19)	(23)
Interest income	(26)	(14)	(61)	(58)
Other income	(447)	967	(2,370)	(2,002)

**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
	31-12-2017 RM'000	31-12-2016 RM'000	31-12-2017 RM'000	31-12-2016 RM'000
Based on results for the period/year	(1,308)	107	480	732
Origination / (reversal) of temporary differences	2,953	790	2,892	1,563
Under/(Over) provision in prior period/year	1,645 2	897 100	3,372 2	2,295 100
Tax expense	1,647	997	3,374	2,395

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. Trade Receivables**

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
External parties	18,668	20,411
Less: Allowance for impairment loss	(666)	(619)
Trade receivables, net	<u>18,002</u>	<u>19,792</u>

The Group's normal trade credit term extended to customers ranges from 30 to 120 days. (2016: 30 to 120 days).

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Ageing analysis of trade receivables:

	<b>As at 31/12/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
Neither past due nor impaired	15,138	17,593
1 to 90 days past due not impaired	2,240	1,323
91 to 120 days past due not impaired	199	89
More than 121 days past due not impaired	425	787
	2,864	2,199
Impaired individually		
Brought forward	619	719
Impairment loss during the year	66	40
Written off	-	(117)
Reversal of impairment loss	(19)	(23)
	666	619
	<u>18,668</u>	<u>20,411</u>

Trade receivables that are past due but not impaired are creditworthy debtors who, by past trade practices, have paid after the expiry of the trade credit terms and the Group is currently still in active trading with the debtors. The Group does not anticipate recovery problem in respect of these debtors.

**21. Group borrowings and debt securities**

<b>Group Borrowings as at 31 Dec 2017</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	4,401	3,759	8,160
Revolving credit	-	3,000	3,000
Bankers' acceptance	2,931	7,891	10,822
Hire purchase loans	173	-	173
Term loans	3,173	-	3,173
	<u>10,678</u>	<u>14,650</u>	<u>25,328</u>
<b>Long term borrowings</b>			
Hire purchase loans	174	-	174
Term loans	24,989	-	24,989
	<u>25,163</u>	<u>-</u>	<u>25,163</u>
<b>Total Borrowings</b>	<u>35,841</u>	<u>14,650</u>	<u>50,491</u>

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<b>Group Borrowings as at 31 Dec 2016</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	1,915	3,519	5,434
Revolving credit	-	3,000	3,000
Bankers' acceptance	2,416	7,237	9,653
Hire purchase loans	225	-	225
Term loans	2,921	-	2,921
	<u>7,477</u>	<u>13,756</u>	<u>21,233</u>
<b>Long term borrowings</b>			
Hire purchase loans	243	-	243
Term loans	22,369	-	22,369
	<u>22,612</u>	<u>-</u>	<u>22,612</u>
<b>Total Borrowings</b>	<u>30,089</u>	<u>13,756</u>	<u>43,845</u>

The above Group borrowings are denominated in Ringgit Malaysia.

**22. Material pending litigation**

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

**23. Dividend**

There was no dividend declared or recommended for the current quarter.

**24. 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 for current quarter and financial year-to-date are 191,903,044 whereas the weighted average number of shares used for preceding year corresponding quarter and period are 194,658,261 and 193,161,729 respectively.