

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

Quarterly Report on consolidated results for the fourth quarter ended 31/12/2018

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current year quarter ended (Unaudited) 31/12/18 RM'000	Preceding year corresponding quarter ended (Unaudited) 31/12/17 RM'000	Changes %	Current year to date (Unaudited) 31/12/18 RM'000	Preceding year corresponding period (Audited) 31/12/17 RM'000	Changes %
Revenue	52,965	65,152	(18.7)	211,296	259,451	(18.6)
Operating Expenses	(51,179)	(61,839)	(17.2)	(206,669)	(249,974)	(17.3)
Other Income	659	473	39.3	2,267	2,441	(7.1)
Profit from Operations	2,445	3,786	(35.4)	6,894	11,918	(42.2)
Finance Costs	(704)	(544)	29.4	(2,962)	(2,477)	19.6
Profit Before Tax	1,741	3,242	(46.3)	3,932	9,441	(58.4)
Income tax Expense	(275)	(1,641)	(83.2)	(1,438)	(3,368)	(57.3)
Profit For The Period/Year	1,466	1,601	(8.4)	2,494	6,073	(58.9)
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income For The Period/Year	1,466	1,601		2,494	6,073	
Attributable to:						
Equity Holders Of The Parent	1,466	1,601		2,494	6,073	
Non-Controlling Interest	-	-		-	-	
Total Comprehensive Income For The Period/Year	1,466	1,601		2,494	6,073	
EPS - Basic (sen)	0.76	0.82		1.30	3.16	
- 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 2017 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 31/12/18 RM'000	As at preceding financial year end 31/12/17 RM'000
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	109,090	94,116
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	112	109
	<u>115,327</u>	<u>100,350</u>
Current Assets		
Inventories	38,975	36,714
Trade receivables	16,090	18,401
Other receivables	2,165	2,333
Tax assets	1,377	1,085
Cash and bank balances	2,537	19,664
	<u>61,144</u>	<u>78,197</u>
Total Assets	<u>176,471</u>	<u>178,547</u>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	54,378	54,378
Treasury shares, at cost	(1,382)	(1,382)
Retained earnings	57,393	54,899
Total equity	<u>110,389</u>	<u>107,895</u>
Non Current Liabilities		
Long term borrowings	21,869	25,158
Deferred tax liabilities	6,092	6,256
	<u>27,961</u>	<u>31,414</u>
Current Liabilities		
Trade and other payables	10,976	13,425
Short term provisions	447	449
Short term borrowings	26,698	25,332
	<u>38,121</u>	<u>39,238</u>
Total Liabilities	66,082	70,652
Total Equity And Liabilities	<u>176,471</u>	<u>178,547</u>
Net Assets Per Share (RM)	0.58	0.56

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Share Premium RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
<b><u>Cumulative quarter ended 31/12/2018- Unaudited</u></b>					
At 01/01/2018	54,378	(1,382)	-	54,899	107,895
Profit for the year	-	-	-	2,494	2,494
At 31/12/2018	<u>54,378</u>	<u>(1,382)</u>	<u>-</u>	<u>57,393</u>	<u>110,389</u>
<b><u>Cumulative quarter ended 31/12/2017- Audited</u></b>					
At 01/01/2017	49,200	(1,382)	5,178	48,826	101,822
Profit for the year	-	-	-	6,073	6,073
Adjustments for CA 2016*	5,178	-	(5,178)	-	-
At 31/12/2017	<u>54,378</u>	<u>(1,382)</u>	<u>-</u>	<u>54,899</u>	<u>107,895</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 2017 and the accompanying notes attached to these interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarter ended 31/12/18 (Unaudited) RM'000</b>	<b>Cumulative quarter ended 31/12/17 (Audited) RM'000</b>
Profit before tax	3,932	9,441
Adjustment for non-cash flow:-		
Non-cash items	6,197	6,055
Non-operating items (which are investing/financing)	2,885	2,416
Operating profit before changes in working capital	<u>13,014</u>	<u>17,912</u>
Changes in working capital		
Net change in inventories	(2,261)	(2,439)
Net change in receivables	2,469	1,189
Net change in payables	<u>(2,458)</u>	<u>(104)</u>
Cash flows from operation	10,764	16,558
Tax paid	(1,928)	(398)
Net cash from operating activities	<u>8,836</u>	<u>16,160</u>
Investing Activities		
Interest received	77	61
Proceed from disposal of property, plant and equipment	44	165
Purchase of property, plant and equipment	<u>(21,193)</u>	<u>(7,018)</u>
Net cash used in investing activities	<u>(21,072)</u>	<u>(6,922)</u>
Financing Activities		
Interest paid	(2,962)	(2,477)
Proceeds from borrowings	118,206	96,592
Repayment of borrowings	<u>(117,508)</u>	<u>(91,963)</u>
Net cash (used in)/from financing activities	<u>(2,264)</u>	<u>2,152</u>
Net Change in Cash & Cash Equivalents	(14,500)	11,390
Cash & Cash Equivalents at beginning of the year	11,503	205
Cash & Cash Equivalents at end of the year	<u>(3,002)</u>	<u>11,503</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	1,340	17,950
Cash and bank balances	1,197	1,713
Bank overdrafts	<u>(5,539)</u>	<u>(8,160)</u>
	<u>(3,002)</u>	<u>11,503</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 2017 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 financial statement of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2017 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”) and amendments/improvements to MFRSs:

		<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
<b>Amendments/Improvements to MFRSs</b>		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 4	Insurance Contracts	1 January 2018
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 140	Investment Property	1 January 2018
<b>New IC Interpretations</b>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

**(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:-

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		<b>Effective for financial periods beginning on or after</b>
<b>New MFRSs</b>		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<b>Amendments/Improvements to MFRSs</b>		
MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards	1 January 2021
MFRS 2	Share-based payment	1 January 2020
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021
MFRS 6	Exploration for an Evaluation of Mineral Resources	1 January 2020
MFRS 7	Financial Instruments: Disclosures	1 January 2021
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangement	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020
MFRS 15	Revenue from Contracts with Customers	1 January 2021
MFRS 101	Presentation of Financial Statements	1 January 2020
MFRS 107	Statements of Cash Flows	1 January 2021
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 132	Financial Instruments: Presentation	1 January 2021
MFRS 134	Interim Financial Reporting	1 January 2020
MFRS 136	Impairment of Assets	1 January 2021
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 138	Intangible Assets	1 January 2020
MFRS 140	Investment Property	1 January 2021
<b>New IC Interpretations</b>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

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**New IC Interpretations**

IC Int 12	Service Concession Arrangements	1 January 2020
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
IC Int 20	Stripping Cost in the Production Phase of a Surface Mine	1 January 2020
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020

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 2017 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 December 2018 and 31 December 2017 are as follows:-

31 Dec 2018	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	-	55,650	155,646	-	211,296
Inter-segment revenue	719	17	-	(736)	-
	<u>719</u>	<u>55,667</u>	<u>155,646</u>	<u>(736)</u>	<u>211,296</u>
<b>Segment Results</b>					
Segment results	130	(96)	7,812	(1,029)	<u>6,817</u>
Operating profit					6,817
Interest revenue					77
Interest expense					(2,962)
Taxation					<u>(1,438)</u>
Net profit for the year					<u><u>2,494</u></u>
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	2,984	10,145	(11,258)	<u>11,857</u>
Operating profit					11,857
Interest revenue					61
Interest expense					(2,477)
Taxation					<u>(3,368)</u>
Net profit for the year					<u><u>6,073</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.

**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 RM48,567,000 as at 31 December 2018 (31 December 2017 : RM50,490,000).

**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>31/12/18 RM'000</b>	<b>31/12/17 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue				
-Manufacturing and Trading	11,905	13,504	(1,599)	-11.8%
-Palm Oil Mill	41,060	51,648	(10,588)	-20.5%
	<u>52,965</u>	<u>65,152</u>	<u>(12,187)</u>	<u>-18.7%</u>
Profit before tax	1,741	3,242	(1,501)	-46.3%

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The manufacturing and trading segment's revenue recorded lower at RM 11.9 million in the current quarter as compared with RM 13.5 million in the preceding year corresponding quarter as a result of lower sales volume achieved for the quarter under review.

For palm oil mill segment, revenue reduced by 20.5% to RM 41.1 million from RM 51.6 million in the preceding year corresponding quarter. This was mainly attributed to lower average selling price of Crude Palm Oil ("CPO") and Palm Kernel ("PK") in the quarter under review.

The lower profit before tax of RM 1.7 million as compared to RM 3.2 million in preceding year corresponding quarter was mainly due to lower sales volume achieved in manufacturing and trading segment as well as lower Crude Palm Oil ("CPO") extraction rate achieved in 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

	Current year quarter ended	Current year preceding quarter ended	Changes	
	31/12/18 RM'000	30/9/18 RM'000	RM'000	%
Revenue				
-Manufacturing and Trading	11,905	16,143	(4,238)	-26.3%
-Palm Oil Mill	41,060	44,675	(3,615)	-8.1%
	<u>52,965</u>	<u>60,818</u>	<u>(7,853)</u>	<u>-12.9%</u>
Profit before tax	1,741	1,112	629	56.6%

The profit before tax in the current quarter recorded higher at RM1.7 million as compared to RM 1.1 million in the immediate preceding quarter. This was mainly due to lower operating expenses as well as lower finance cost of 14% and 9% respectively despite lower revenue achieved in the quarter under review.

#### 15. Current year prospect

The global economic condition remains challenging. The Group will continue to develop new markets and to improve on its cost effectiveness in the manufacturing

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and trading segment as well as production efficiency in the palm oil mill segment. The Group remains positive 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>31/12/2018 RM'000</b>	<b>31/12/2017 RM'000</b>	<b>31/12/2018 RM'000</b>	<b>31/12/2017 RM'000</b>
Depreciation of property, plant & equipment	1,629	1,425	6,125	5,463
Interest expenses	704	745	2,962	2,477
Foreign exchange (gain)/loss - realised	71	(19)	106	1
Foreign exchange (gain)/loss - unrealised	(41)	35	(86)	45
Impairment loss on intangible assets	-	130	-	130
Property, plant & equipment written off	28	410	28	410
Allowance for doubtful debts	76	66	76	66
Allowance for doubtful debts no longer required	(4)	(2)	(11)	(12)
Interest income	(15)	(26)	(77)	(61)
Gain on disposal of property, plant & equipment	(10)	(19)	(10)	(19)
Other income	(589)	(426)	(2,083)	(2,349)

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**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
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Based on results for the period/year	383	478	1,604	2,266
Origination / (reversal) of temporary differences	(109)	1,181	(167)	1,120
	274	1,659	1,437	3,386
Under/(Over) provision in prior period/year	1	(18)	1	(18)
Tax expense	275	1,641	1,438	3,368

The effective tax rate for the current quarter was lower than the statutory tax rate mainly due to utilisation of unabsorbed capital allowances available to the Group. However, the effective tax expense rate for 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 31/12/2018 RM'000	As at 31/12/2017 RM'000
External parties	16,827	19,074
Less: Allowance for impairment loss	(737)	(673)
Trade receivables, net	<u>16,090</u>	<u>18,401</u>

The Group's normal trade credit term extended to customers ranges from 30 to 120 days. (2017: 30 to 120 days).

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Ageing analysis of trade receivables:

	<b>As at 31/12/2018 RM'000</b>	<b>As at 31/12/2017 RM'000</b>
Neither past due nor impaired	12,912	15,507
1 to 90 days past due not impaired	2,559	2,239
91 to 120 days past due not impaired	60	199
More than 121 days past due not impaired	559	456
	<u>3,178</u>	<u>2,894</u>
Impaired individually		
Brought forward	672	619
Impairment loss during the year	76	66
Reversal of impairment loss	(11)	(12)
	<u>737</u>	<u>673</u>
	<u>16,827</u>	<u>19,074</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 2018</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings</b>			
Bank overdraft	922	4,617	5,539
Revolving credit	-	3,200	3,200
Bankers' acceptance	6,553	7,885	14,438
Hire purchase loans	180	-	180
Term loans	3,341	-	3,341
	<u>10,996</u>	<u>15,702</u>	<u>26,698</u>
<b>Long term borrowings</b>			
Hire purchase loans	190	-	190
Term loans	21,679	-	21,679
	<u>21,869</u>	<u>-</u>	<u>21,869</u>
<b>Total Borrowings</b>	<u>32,865</u>	<u>15,702</u>	<u>48,567</u>

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<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	2,408	5,752	8,160
Revolving credit	-	3,000	3,000
Bankers' acceptance	2,931	7,891	10,822
Hire purchase loans	173	-	173
Term loans	3,177	-	3,177
	<u>8,689</u>	<u>16,643</u>	<u>25,332</u>
<b>Long term borrowings</b>			
Hire purchase loans	174	-	174
Term loans	24,984	-	24,984
	<u>25,158</u>	<u>-</u>	<u>25,158</u>
<b>Total Borrowings</b>	<u>33,847</u>	<u>16,643</u>	<u>50,490</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**

- (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 for current quarter and financial year-to-date as well as preceding year corresponding quarter and period are 191,903,044 respectively.