

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the third quarter ended 30/9/2010.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter ended 30/9/10 RM'000	Preceding year corresponding quarter ended 30/9/09 RM'000	Current year to date 30/9/10 RM'000	Preceding year corresponding period 30/9/09 RM'000
Revenue	17,423	16,785	51,672	46,351
Cost Of Sales	(13,636)	(13,369)	(40,340)	(37,447)
Gross Profit	3,787	3,416	11,332	8,904
Other Income	32	11	167	20
Distribution Costs	(1,303)	(1,200)	(3,779)	(3,476)
Administrative Expenses	(798)	(621)	(2,195)	(1,932)
Other Expenses	(303)	7	(533)	48
Finance Costs	(183)	(124)	(510)	(364)
Profit Before Tax	1,232	1,489	4,482	3,200
Income tax Expense	(504)	(564)	(1,533)	(1,110)
Profit For The Period	728	925	2,949	2,090
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	728	925	2,949	2,090
Attributable to:				
Equity Holders Of The Parent	728	925	2,949	2,090
Minority Interest	-	-	-	-
	728	925	2,949	2,090
EPS - Basic (sen)	0.40	0.51	1.64	1.16
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Unaudited</u>	<u>Audited</u>
	As at end of current quarter 30/9/2010 RM'000	As at preceding financial year end 31/12/09 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	38,244	35,082
Other Investments	17	17
Deferred tax assets	83	83
	<u>38,344</u>	<u>35,182</u>
Current Assets		
Inventories	36,863	36,305
Trade receivables	18,772	17,890
Other current assets	3,532	2,954
Cash and bank balances	7,214	7,353
	<u>66,381</u>	<u>64,502</u>
Total Assets	<u>104,725</u>	<u>99,684</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(3,729)	(3,699)
Other reserves	5,178	5,178
Retained earnings	36,990	34,041
Total Equity	<u>87,639</u>	<u>84,720</u>
Non Current Liabilities		
Long term borrowings	3,481	2,125
Deferred tax liabilities	2,318	2,458
	<u>5,799</u>	<u>4,583</u>
Current Liabilities		
Trade and other payables	2,456	3,834
Short term provisions	267	267
Short term borrowings	8,564	6,280
	<u>11,287</u>	<u>10,381</u>
Total Liabilities	17,086	14,964
Total Equity And Liabilities	<u>104,725</u>	<u>99,684</u>
Net Assets Per Share (RM)	0.49	0.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

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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	Minority Interest RM'000	Total Equity RM'000
<u>Cumulative quarter ended 30/9/2010</u>							
At 01/01/2010	49,200	(3,699)	5,178	34,041	84,720	-	84,720
Profit for the period	-	-	-	2,949	2,949	-	2,949
Repurchase of own shares	-	(30)	-	-	(30)	-	(30)
At 30/9/2010	<u>49,200</u>	<u>(3,729)</u>	<u>5,178</u>	<u>36,990</u>	<u>87,639</u>	<u>-</u>	<u>87,639</u>
<u>Cumulative quarter ended 30/9/2009</u>							
At 01/01/2009	49,200	(3,408)	5,178	29,861	80,831	-	80,831
Profit for the period	-	-	-	2,090	2,090	-	2,090
Repurchase of own shares	-	(291)	-	-	(291)	-	(291)
At 30/09/2009	<u>49,200</u>	<u>(3,699)</u>	<u>5,178</u>	<u>31,951</u>	<u>82,630</u>	<u>-</u>	<u>82,630</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative quarter ended 30/9/10 RM'000	Cumulative quarter ended 30/9/09 RM'000
Net Profit before tax	4,482	3,200
Adjustment for non-cash flow:-		
Non-cash items	2,383	2,303
Non-operating items (which are investing/financing)	363	261
Operating profit before changes in working capital	<u>7,228</u>	<u>5,764</u>
Changes in working capital		
Net change in current assets	(2,465)	4,348
Net change in current liabilities	<u>(1,378)</u>	<u>(1,307)</u>
Cash flows from operation	3,385	8,805
Tax paid	(1,392)	(2,161)
Interest paid	<u>(399)</u>	<u>(270)</u>
Net cash generated from/(used in) operating activities	<u>1,594</u>	<u>6,374</u>
Investing Activities		
Other investments	<u>(5,343)</u>	<u>(970)</u>
Net cash (used in)/ generated from investing activities	<u>(5,343)</u>	<u>(970)</u>
Financing Activities		
Bank and other borrowings	3,035	(1,996)
Repurchase of own shares	<u>(30)</u>	<u>(291)</u>
Net cash generated from/(used in) financing activities	<u>3,005</u>	<u>(2,287)</u>
Net Change in Cash & Cash Equivalents	(744)	3,117
Cash & Cash Equivalents at beginning of period	7,353	1,769
Cash & Cash Equivalents at end of the period	<u><u>6,609</u></u>	<u><u>4,886</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

NOTES TO THE QUARTERLY RESULTS

1. Accounting policies

The quarterly financial statements have been prepared in accordance with FRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 December 2009 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:-

a) FRS 101 : Presentation of Financial Statement (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity includes only details of transactions with owners. All non-owner changes in equity are presented in statement of comprehensive income of which present all items of income and expense recognized in income statements, together with all other items of recognized income and expense, either in one single statement or in two linked statements. New terminologies will replace 'balance sheet' with 'statement of financial position' and 'cash flow statement' with 'statement of cash flows'. This FRS only entails revision in presentation aspects and does not have any impact on the financial position and results of the Group.

b) FRS 8 : Operating segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

2. 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.

3. 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.

4. Changes in estimates

There were no material changes in estimates of amounts reported in the 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.

5. 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 except for the following:-

There was no repurchased transaction in the current quarter. The repurchased transactions for financial year-to-date were financed by internally generated funds and the shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

6. Dividend paid

There was no dividend paid in the current quarter and financial year-to date.

7. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 30 September 2010 and 30 September 2009 are as follows:-

30 September 2010	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External revenue	-	24,138	27,534	-	51,672
Inter-segment revenue	800	18,864	66	(19,730)	-
	<u>800</u>	<u>43,002</u>	<u>27,600</u>	<u>(19,730)</u>	<u>51,672</u>
Segment Results					
Segment results	(167)	3,825	1,400	(212)	4,846
Operating profit					4,846
Interest revenue					35
Interest expense					(399)
Taxation					(1,533)
Net profit for the period					<u>2,949</u>

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30 September 2009	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External revenue	-	20,560	25,791	-	46,351
Inter-segment revenue	-	17,704	252	(17,956)	-
	-	38,264	26,043	(17,956)	46,351
Segment Results					
Segment results	(160)	2,388	1,237	(4)	3,461
Operating profit					3,461
Interest revenue					9
Interest expense					(270)
Taxation					(1,110)
Net profit for the period					2,090

All the inter-segment revenue were determined based on cost plus a percentage of profit mark-up.

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

8. 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.

9. Subsequent event

On 19/7/2010, a subsidiary company entered into sale and purchase agreements with the following parties ("the Vendor") for the acquisition of three (3) pieces of land together with several factory buildings erected thereon and plant and equipment for a total consideration of RM11,000,000. Further details on the acquisition are set out as following:

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Vendor(s)	Details of the Land	Areas	Purchase Price RM
Kota Tanah Realty Sdn Bhd	GRN 27879, Lot 12208, Mukim Durian Sebatang, Daerah Hilir Perak	2.613 hectares	4,000,000
Sabutek (M) Sdn Bhd (formerly known as Sabutech (M) Sdn Bhd) (Under Creditor's Voluntary Winding Up)	PN 104453, Lot 17094, Mukim Durian Sebatang, Daerah Hilir Perak Plant and Equipment	2.978 hectares	3,000,000 1,000,000
Harapan Enterprise Sdn Bhd	PN 104454, Lot 17095 Mukim Durian Sebatang, Daerah Hilir Perak	8.09 hectares	3,000,000

The acquisition had been completed on 18/10/2010, except for the acquisition of Land which is located at PN 104454, Lot 17095 Mukim Durian Sebatang, Daerah Hilir Perak as at the date of issue of this report.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date except for the following:

The Company had on 21 June 2010, acquired the entire equity interest comprising of 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00 in Central Eco Fiber Sdn Bhd (formerly known as Synergy Coast Sdn Bhd). On 11 August 2010, the Company had further subscribed of equity interest comprising of 799,998 ordinary shares of RM1.00 each for a cash consideration of RM799,998 in Central Eco Fiber Sdn Bhd (formerly known as Synergy Coast Sdn Bhd).

The acquisitions do not have any material effect on the Group's results and financial position.

11. Contingent liabilities or assets

Save as disclosed below, there were no changes in contingent liabilities since the last annual balance sheet 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 RM 11,914,932 as at 30 September 2010 (31 December 2009 : RM8,347,889).

12. Review of performance of the Company and its principal subsidiary companies

The Group's revenue increased slightly to RM 17.4 million in current quarter as compared to RM 16.8 million in the preceding year corresponding quarter. The profit before tax in current quarter reduced slightly by 0.2% to RM 1.2 million as compared to RM1.5 million in previous year corresponding quarter. This is mainly due to higher operating expenses during 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 30 September 2010 and the date of this report.

13. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The group's profit before tax in current quarter was RM 1.2 million as compared to RM 2.3 million in the preceding quarter. The higher profit before tax in the immediate preceding quarter was mainly due to higher sales recorded and improvement in sales composition of higher profit margin products and also lower operating expenses as compared to current quarter under review.

14. Current year prospect

The Group is optimistic to maintain a profitable result in the remaining period of the current financial year.

15. Variance on forecast profit and/or profit guarantee

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

16. Taxation

Taxation comprises the following:-

Particulars	Current year	Current year to date	Current year	Current year to date
	quarter	30/9/2010	quarter	30/9/2009
	30/9/2010	30/9/2010	30/9/2009	30/9/2009
	RM'000	RM'000	RM'000	RM'000
Based on results for the period	590	1,673	558	1,098
Origination and reversal of	(86)	(140)	6	12
temporary differences				
Tax expense	504	1,533	564	1,110

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.

17. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the current quarter and financial year-to-date.

18. Quoted securities

(a) There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

(b) There was no investment in quoted securities as at end of the reporting period.

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 September 2010	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	-	605	605
Revolving credit	-	1,500	1,500
Bankers' acceptance	-	5,847	5,847
Hire purchase loans	64	-	64
Term loans	548	-	548
	<u>612</u>	<u>7,952</u>	<u>8,564</u>
Long term borrowings			
Hire purchase loans	66	-	66
Term loans	3,415	-	3,415
	<u>3,481</u>	<u>-</u>	<u>3,481</u>
Total Borrowings	<u>4,093</u>	<u>7,952</u>	<u>12,045</u>

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Group Borrowings as at 31 December 2009	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	-	-	-
Revolving credit	-	1,700	1,700
Bankers' acceptance	-	4,123	4,123
Hire purchase loans	30	-	30
Term loans	427	-	427
	<u>457</u>	<u>5,823</u>	<u>6,280</u>
Long term borrowings			
Hire purchase loans	27	-	27
Term loans	2,098	-	2,098
	<u>2,125</u>	<u>-</u>	<u>2,125</u>
Total Borrowings	<u>2,582</u>	<u>5,823</u>	<u>8,405</u>

The above Group borrowings are denominated in Ringgit Malaysia.

21. Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk up to the date of issue of this report.

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 and financial year-to-date.

24. Earnings per share

- (a) The amount used as the numerator in calculating basic earnings per share is net profit after tax and minority interest reported for the respective period.
- (b) The weighted average number of shares used as the denominator in calculating basic earnings per share is 180,225,800 for current quarter and 180,273,784 for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter is 180,642,572 and 180,877,249 for previous financial year-to-date.