

CAM RESOURCES BERHAD [Company No.: 200001032704 (535311-D)]
 Quarterly Report on consolidated results for the third quarter ended 30/9/2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current year quarter ended (Unaudited) 30/9/20 RM'000	Preceding year corresponding quarter ended (Unaudited) 30/9/19 RM'000	Changes %	Current year to date (Unaudited) 30/9/20 RM'000	Preceding year corresponding period (Audited) 30/9/19 RM'000	Changes %
Revenue	71,500	52,973	35.0	193,600	150,762	28.4
Operating Expenses	(66,921)	(52,656)	27.1	(187,810)	(148,555)	26.4
Other Income	1,452	968	50.0	3,685	1,974	86.7
Profit from Operations	6,031	1,285	369.3	9,475	4,181	126.6
Finance Costs	(400)	(688)	(41.9)	(1,666)	(2,120)	(21.4)
Profit Before Tax	5,631	597	843.2	7,809	2,061	278.9
Income tax Expense	(771)	(477)	61.6	(2,010)	(1,212)	65.8
Profit For The Period	4,860	120	3,950.0	5,799	849	583.0
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income For The Period	4,860	120		5,799	849	
Attributable to:						
Equity Holders Of The Parent	4,860	120		5,799	849	
Non-Controlling Interest	-	-		-	-	
Total Comprehensive Income For The Period	4,860	120		5,799	849	
EPS - Basic (sen)	2.54	0.06		3.03	0.44	
- 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 2019 and the accompanying notes attached to these interim financial statements)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 30/9/20 RM'000	As at preceding financial year end 31/12/19 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	114,249	114,603
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	122	122
	<u>120,496</u>	<u>120,850</u>
Current Assets		
Inventories	29,965	36,914
Trade receivables	16,708	16,112
Other receivables	1,094	2,255
Tax assets	-	1,227
Cash and bank balances	11,865	6,669
	<u>59,632</u>	<u>63,177</u>
Total Assets	<u><u>180,128</u></u>	<u><u>184,027</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	54,378	54,378
Treasury shares, at cost	(1,491)	(1,399)
Retained earnings	63,296	57,497
Total equity	<u><u>116,183</u></u>	<u><u>110,476</u></u>
Non Current Liabilities		
Long term borrowings	15,742	18,274
Deferred tax liabilities	5,331	5,573
	<u>21,073</u>	<u>23,847</u>
Current Liabilities		
Trade and other payables	13,386	14,382
Short term provisions	493	493
Short term borrowings	28,963	34,829
Current tax payables	30	-
	<u>42,872</u>	<u>49,704</u>
Total Liabilities	<u>63,945</u>	<u>73,551</u>
Total Equity And Liabilities	<u><u>180,128</u></u>	<u><u>184,027</u></u>
Net Assets Per Share (RM)	0.61	0.58

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying notes attached to these interim financial statements)

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UNAUDITED 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
<u>Cumulative quarter ended 30/9/2020- Unaudited</u>					
At 01/01/2020	54,378	(1,399)	-	57,497	110,476
Profit for the period	-	-	-	5,799	5,799
Repurchase of own shares	-	(92)	-	-	(92)
At 30/9/2020	<u>54,378</u>	<u>(1,491)</u>	<u>-</u>	<u>63,296</u>	<u>116,183</u>
<u>Cumulative quarter ended 30/9/2019- Unaudited</u>					
At 01/01/2019	54,378	(1,382)	-	57,393	110,389
Adjustment on initial application of MFRS 16 (net of tax)				1	1
Profit for the period	-	-	-	849	849
At 30/9/2019	<u>54,378</u>	<u>(1,382)</u>	<u>-</u>	<u>58,243</u>	<u>111,239</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 2019 and the accompanying notes attached to these interim financial statements)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 30/9/20 (Unaudited) RM'000	Cumulative quarter ended 31/12/19 (Audited) RM'000
Profit before tax	7,809	444
Adjustment for non-cash flow:-		
Non-cash items	7,234	6,511
Non-operating items (which are investing/financing)	1,631	2,756
Operating profit before changes in working capital	16,674	9,711
Changes in working capital		
Net change in inventories	6,949	2,061
Net change in receivables	565	1,057
Net change in payables	(996)	1,888
Cash flows from operation	23,192	14,717
Tax paid	(995)	(719)
Net cash from operating activities	22,197	13,998
Investing Activities		
Interest received	35	36
Proceed from disposal of property, plant and equipment	110	34
Purchase of property, plant and equipment	(7,018)	(11,811)
Net cash used in investing activities	(6,873)	(11,741)
Financing Activities		
Interest paid	(1,666)	(2,792)
(Repayments)/drawdown of borrowings	(7,507)	2,010
Repurchase of own shares	(92)	(17)
Net cash used in financing activities	(9,265)	(799)
Net Change in Cash & Cash Equivalents	6,059	1,458
Effects of exchange rate changes	-	(21)
Cash & Cash Equivalents at beginning of the period	(1,195)	(2,632)
Cash & Cash Equivalents at end of the period	4,864	(1,195)
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	9,653	4,732
Cash and bank balances	2,212	1,942
Bank overdrafts	(7,001)	(7,869)
	4,864	(1,195)

(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 2019 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 2019 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”) and amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) effective for the financial periods beginning on or after 1 January 2020:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

a) New MFRSs, amendments/improvement to MFRSs that are issued, but not yet effective and have not been early adopted

The Group has not adopted the following new MFRS, and amendment/improvements to MFRSs that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
New MFRS	
MFRS 17 Insurance Contracts	1 January 2023

Amendments/Improvements to MFRSs		Effective for financial periods beginning on or after
MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2021/ 1 January 2022 [^]
MFRS 101	Presentation of Financial Statements	1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The Group is in the process of assessing the impact which may arise from adoption of the above MFRS and amendments/improvements to MFRSs.

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 2019 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 period 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 Sep 2020 and 30 Sep 2019 are as follows:-

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30 Sep 2020	Investment Holding	Manufacturing and Trading	Palm Oil Mill	Renewable Energy	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	-	34,682	153,031	5,887	-	193,600
Inter-segment revenue	-	131	-	-	(131)	-
	-	34,813	153,031		(131)	193,600
Segment Results						
Segment results	(475)	(814)	8,225	3,504	(1,000)	9,440
Operating profit						9,440
Interest revenue						35
Interest expense						(1,666)
Taxation						(2,010)
Net profit for the period						5,799

30 Sep 2019	Investment Holding	Manufacturing and Trading	Palm Oil Mill	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
External revenue	-	38,993	111,769	-	150,762
Inter-segment revenue	-	66	-	(66)	-
	-	39,059	111,769	(66)	150,762
Segment Results					
Segment results	(288)	(2,381)	7,152	(329)	4,154
Operating profit					4,154
Interest revenue					27
Interest expense					(2,120)
Taxation					(1,212)
Net profit for the period					849

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 RM44,705,000 as at 30 September 2020 (31 December 2019 : RM53,103,000).

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

	Current year quarter ended	Preceding year corresponding quarter ended	Changes	
	30/9/20	30/9/19	RM'000	%
	RM'000	RM'000		
Revenue				
-Investment Holding	-	-	-	-
-Manufacturing and Trading	15,941	12,961	2,980	23.0%
-Palm Oil Mill	53,595	40,012	13,583	33.9%
-Renewable Energy	1,964	-	1,964	100.0%
	<u>71,500</u>	<u>52,973</u>	<u>18,527</u>	<u>35.0%</u>
Profit/(Loss) before tax				
-Investment Holding	(135)	(38)	(97)	255.3%
-Manufacturing and Trading	2,039	(2,533)	4,572	-180.5%
-Palm Oil Mill	3,148	3,168	(20)	-0.6%
-Renewable Energy	579	-	579	100.0%
	<u>5,631</u>	<u>597</u>	<u>5,034</u>	<u>843.2%</u>

The Group's total revenue in the quarter under review was RM71.50million or RM18.53million higher than the corresponding quarter of the preceding year at RM52.97million due to higher revenue achieved in virtually all segments.

The Profit before tax for the Group was RM5.63million compared to RM0.60million in the preceding year's corresponding quarter. The increase in profit before tax was mainly attributed to the return to profit for the manufacturing and trading segment of RM2.04million compared to a loss of RM2.53million as well as additional revenue contribution of RM0.58million from the renewable energy segment in the quarter under review.

For the Investment Holding segment, there was no revenue recorded for the current quarter as well as the previous year's corresponding quarter. The segment's loss was increased to RM135,000 from RM38,000 in the preceding year's corresponding quarter due to higher operating expenses in the quarter under review.

The higher profit before tax in the manufacturing and trading segment was mainly attributed to the higher sales volume achieved as well as higher sales contribution from better margin products.

For the Palm Oil Mill segment, the revenue increased to RM53.60million from RM40.01million in the preceding corresponding quarter. The increase in revenue was mainly due to the higher average selling price of Crude Palm Oil ("CPO") and Palm Kernel ("PK"). However, the profit before tax was relatively the same due to the rising cost of fresh fruit bunches ("FFB") offsetting the higher average selling price of CPO and PK while the production output was about the same.

The commencement of operation of the renewable energy segment in the current financial year had contributed to additional revenue and profit before tax of RM1.96million and RM0.58million respectively in the current quarter.

The results of 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 2020 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	Immediate preceding quarter ended	Changes	
	30/9/20	30/6/20	RM'000	%
	RM'000	RM'000		
Revenue				
-Investment Holding	-	-	-	-
-Manufacturing and Trading	15,941	8,417	7,524	89.4%
-Palm Oil Mill	53,595	47,127	6,468	13.7%
-Renewable Energy	1,964	1,949	15	0.8%
	<u>71,500</u>	<u>57,493</u>	<u>14,007</u>	<u>24.4%</u>
Profit before tax				
-Investment Holding	(135)	(200)	65	-32.5%
-Manufacturing and Trading	2,039	(2,120)	4,159	-196.2%
-Palm Oil Mill	3,148	1,719	1,429	83.1%
-Renewable Energy	579	1,523	(944)	-62.0%
	<u>5,631</u>	<u>922</u>	<u>4,709</u>	<u>510.7%</u>

The Group recorded higher profit before tax of RM5.63million compared to RM0.92million in the immediate preceding quarter. This was mainly due to the higher profit before tax in the manufacturing and trading segment and palm oil mill segment of RM2.04million and RM3.15million respectively.

The higher profit before tax in the manufacturing and trading segment was mainly attributed to the higher revenue achieved at RM15.94million compared to RM8.42million in the immediate preceding quarter.

The profit before tax for the palm oil mill segment was also higher at RM3.15million compared to RM1.72million in the immediate preceding quarter. The higher profit before tax was mainly attributed to higher extraction rate of CPO and PK for the quarter under review.

The renewable energy segment had recorded a lower before tax of RM0.58million compared to RM1.52million in the immediate preceding quarter which was mainly due to higher operating expenses in the quarter under review.

The Investment Holding segment reported a lower loss of RM135,000 compared to the immediate preceding quarter of RM200,000 due to the lower operating expenses in the current quarter.

15. Current year prospect

The business environment remains relatively challenging in light of the uncertainty in domestic and global economic condition. The Group will continue its efforts to strengthen the marketing strategies as well as to improve on the cost model and product quality to remain competitive in its core business segments. The Group maintains a neutral outlook of its performance in 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
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Depreciation of property, plant & equipment	2,702	1,567	7,100	4,897
Interest expenses	400	688	1,666	2,120
Foreign exchange (gain)/loss - realised	9	(34)	(82)	(31)
Deposit written off	-	-	1	-
Property, plant & equipment written off	118	-	119	3
Interest income	(7)	(8)	(35)	(27)
(Gain)/Loss on disposal of property, plant & equipment	(14)	(9)	(76)	(38)

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
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Based on results for the period	852	508	2,252	1,278
Origination / (reversal) of temporary differences	(81)	(31)	(242)	(66)
	771	477	2,010	1,212
Under/(Over) provision in prior period	-	-	-	-
Tax expense	771	477	2,010	1,212

The effective tax expense rate for the current quarter was lower than the statutory tax rate due to the availability of tax relief in the renewable energy segment. However, the effective tax expense rate for the financial year-to-date were higher than the statutory tax rate mainly due to the non-deductibility of certain expenses 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 30/9/2020 RM'000	As at 31/12/2019 RM'000
External parties	17,433	16,837
Less: Allowance for impairment loss	(725)	(725)
Trade receivables, net	<u>16,708</u>	<u>16,112</u>

The Group's normal trade credit term extended to customers ranges from 30 to 120 days. (2019: 30 to 120 days).

Ageing analysis of trade receivables:

	As at 30/9/2020 RM'000	As at 31/12/2019 RM'000
Current	15,003	13,929
1 to 90 days past due	644	1,276
91 to 120 days past due	76	17
More than 121 days past due	985	890
	1,705	2,183
Impaired individually		
Brought forward	738	738
Impairment loss during the period	19	19
Written off	(22)	(22)
Reversal of impairment loss	(10)	(10)
	725	725
	17,433	16,837

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

Group Borrowings as at 30 Sep 2020	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	4,556	2,445	7,001
Revolving credit	-	4,400	4,400
Bankers' acceptance	4,010	9,682	13,692
Hire purchase loans	172	-	172
Lease liabilities	-	25	25
Term loans	3,673	-	3,673
	12,411	16,552	28,963
Long term borrowings			
Hire purchase loans	498	-	498
Term loans	15,244	-	15,244
	15,742	-	15,742
Total Borrowings	28,153	16,552	44,705

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Group Borrowings as at 31 December 2019	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	3,391	4,474	7,865
Revolving credit	-	3,900	3,900
Bankers' acceptance	18,579	756	19,335
Hire purchase loans	113	-	113
Lease liabilities	-	52	52
Term loans	3,564	-	3,564
	<u>25,647</u>	<u>9,182</u>	<u>34,829</u>
Long term borrowings			
Hire purchase loans	124	-	124
Lease liabilities	-	38	38
Term loans	18,112	-	18,112
	<u>18,236</u>	<u>38</u>	<u>18,274</u>
Total Borrowings	<u>43,883</u>	<u>9,220</u>	<u>53,103</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 ("EPS")

	Current year quarter 30/09/2020 RM'000	Preceding year quarter 30/09/2019 RM'000	Cumulative Quarter Current year to date 30/09/2020 RM'000	Cumulative Quarter Preceding year to date 30/09/2019 RM'000
Profit attributable to owners of the Company (RM'000)	4,860	120	5,799	849
Weighted average number of ordinary shares for basic EPS ('000)	191,416	191,903	191,493	191,903
Basic EPS (sen)	2.54	0.06	3.03	0.44