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CAM

CAM RESOURCES BERHAD

(Company No: 200001032704 [535311-D])

(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS

in relation to

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

SHARE BUY-BACK STATEMENT

in relation to

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The resolutions in respect of the above proposals will be tabled at the 19th Annual General Meeting (“AGM”) of the Company. The Notice of the AGM together with the Form of Proxy is set out in the Annual Report 2019 of the Company which was despatched together with this Circular/Statement.

Last date and time for lodgement of the Proxy Form : Saturday, 20 June 2020 at 11.00 a.m.

Date and time of the Annual General Meeting : Monday, 22 June 2020 at 11.00 a.m.

Place of the Annual General Meeting : Ballroom, Level 1, Espira Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur

The Form of Proxy must be lodged with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty eight (48) hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/Statement:-

Act	-	Companies Act, 2016
AEM	-	Advance Eagle Marketing Sdn Bhd
AGM	-	Annual General Meeting
Associate	-	In relation to any person (referred to as “Said Party”) means a person who falls under any one of the following categories:- (a) a family member of the Said Party; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Said Party or a family member of the Said Party is the sole beneficiary; (c) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Said Party; (d) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Said Party is accustomed or is under an obligation, whether formal or informal, to act; (e) a body corporate in which the director, shareholder or a family member of the Said Party is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (f) a body corporate which is a related corporation of the Said Party.
Board of Directors/Board	-	The Board of Directors of CAM
Bursa Securities/Exchange	-	Bursa Malaysia Securities Berhad
CAM or Company	-	CAM Resources Berhad
CAM Group or the Group	-	CAM and its subsidiaries
CAM Plastic Industry	-	CAM Plastic Industry Sdn Bhd
CAM Shares or Shares	-	Ordinary shares in CAM
CA Manufactory	-	Central Aluminium Manufactory Sdn Bhd

C Melamineware	-	Central Melamineware Sdn Bhd
Code	-	Malaysian Code on Take-Overs and Mergers 2016 Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 and any amendments made from time to time
CPOMSB	-	Central Palm Oil Mill Sdn Bhd
Director(s)	-	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for purposes of the Proposed Renewal of Shareholder Mandate includes any person who is or was within the preceding 6 months from the date on which the terms of the transactions were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
EPS	-	Earnings per share
FASB	-	Future Atlas Sdn Bhd
HUE	-	Hia Union Engineering Sdn Bhd
KSB	-	Kitchenally Sdn Bhd
Listing Requirements	-	Main Market Listing Requirements of Bursa Securities, including any Practice Note(s) issued in relation thereto
Major Shareholder	-	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. For purposes of the Proposed Renewal of Shareholder Mandate includes any person who is or was within the preceding 6 months from the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company</p>

NA	-	Net assets attributable to ordinary equity holders of CAM
NSB	-	Naprogen Sdn Bhd
Person Connected	-	(a) in relation to a director or major shareholder of a corporation, or (b) in relation to a trustee-manager, director or major shareholder of the trustee-manager, or major unit holder of a business trust, (each person mentioned under (a) and (b) above is referred to as “said Person”), means an associate or partner of the said Person.
PISB	-	Prestile Industries Sdn Bhd
Prevailing Laws	-	Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities
Proposed Renewal of Shareholders’ Mandate	-	Proposed renewal of the existing shareholders’ mandate for RRPT of a revenue and trading nature
Proposed Share Buy-Back	-	The proposed renewal of the authorisation for CAM to buy-back and hold not more than 10% of its total issued Shares
Recurrent Related Party Transactions or RRPT	-	Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the CAM Group
Related Party(ies)	-	Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
Related Party Transaction	-	A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
RM	-	Ringgit Malaysia
Shares	-	Ordinary Shares of CAM
Shares Purchased	-	CAM Shares to be purchased under the Proposed Share Buy-Back
SSSB	-	Saluran Suriamas Sdn Bhd
Substantial Shareholder	-	Has the meaning given in Section 136 of the Act
Treasury Shares	-	CAM Shares that may be purchased by CAM which will be retained in treasury

(Words importing the singular shall, where applicable, include the plural and vice versa)

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PART A

CIRCULAR TO SHAREHOLDERS

in relation to

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**



CAM

CAM RESOURCES BERHAD

(200001032704 [535311-D])

(Incorporated in Malaysia)

Registered Office

10th Floor, Menara Hap Seng
1 & 3 Jalan P Ramlee
50250 Kuala Lumpur

22 May 2020

The Board of Directors

- Mr Lee Chin Yen (Executive Chairman)
- Mr Tan Hong Cheng (Managing Director)
- Mr Hia Wan Kiga
- Ms Lee Poh Choo
- Ms Tan Kim Hong
- Mr Chai Moi Kim
- Encik Azizul Bin Mohd Othman
- Mr Chia Kay Joo
- Mr Chan Kee Loin

To: The Shareholders of CAM Resources Berhad

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

INTRODUCTION

The Company had on 17 February 2020 announced its intention to seek approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 19th AGM.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolution on the proposal to be tabled at the 19th AGM.

SHAREHOLDERS OF CAM ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE 19TH AGM.

1. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1.1 Paragraph 10.09 and Practice Note 12 of the Listing Requirements in relation to the RRPT

At the 18th AGM held on 21 June 2019, the shareholders of the Company approved, inter alia, the renewal of shareholders' mandate for the Company and/or its subsidiaries to enter RRPT. The said mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 19th AGM of the Company, unless a renewal is obtained.

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following:-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold as prescribed in Paragraph 10.09(1) of the Listing Requirements;
- iii) a circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- iv) in a meeting to obtain shareholders' mandate,
 - a related party with any interest, direct or indirect ("interested related party"), must not vote on the resolution in respect of the related party transaction;
 - an interested related party who is, in the case of a corporation, a director or major shareholder, must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction;
 - where the interested related party is a person connected with, in the case of a corporation, a director or major shareholder, such person must not vote on the resolution in respect of the related party transaction; and
- v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include information as may be prescribed by Bursa Securities in its announcement.

In connection thereto, the Board of Directors proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the CAM Group to enter RRPT with the Related Party as set out in Section 1.4 which are of revenue or trading nature.

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the 19th AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

Disclosure will be made in the annual report of CAM in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT entered during the financial year based on the following information:

- i) types of the RRPT made; and
- ii) names of the Related Parties involved in each type of RRPT made and their relationship with the Company.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate has been obtained.

1.2 Business of the CAM Group

CAM is principally an investment holding company, whilst its subsidiaries are principally involved in the manufacturing and trading of aluminium and stainless-steel household products and melamine tableware, processing and sale of crude palm oil, palm kernel and oil palm fiber, and generating renewable energy.

Details of CAM and its subsidiaries as at 4 May 2020 are as follows:-

Name	Effective equity interest (%)	Principal activities
CAM	Not applicable	Investment holding.
Subsidiaries of CAM		
CA Manufactory	100	Manufacturing and trading of aluminium and stainless-steel household products
C Melamineware	100	Manufacturing and trading of melamine tableware
CAM Plastic Industry	100	Manufacturing and trading of plastic household products
CPOMSB	100	Processing and sale of crude palm oil, palm kernel and related products
FASB	100	Generating renewable energy
AEM	100	Inactive
PISB	100	Inactive
KSB	100	Inactive
SSSB	100	Dormant
NSB	100	Dormant

1.3 Class of Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to RRPT with the following party (hereinafter termed as the "Related Party"), in which Mr Hia Wan Kiga, an Executive Director and a Major Shareholder of CAM, has an interest.

Related Party	Principal Activity
HUE	Investment holding and carrying out all types of engineering works.

(Please refer to Section 2 for details of his shareholdings in CAM).

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1.4 Recurrent Related Party Transactions

The Proposed Renewal of Shareholders' Mandate will apply to RRPT with the Related Party as detailed below:-

Proposed Renewal of Shareholders' Mandate

CAM or subsidiary of CAM involved in RRPT	Related Party	Nature of RRPT	Interested Director and/or Major Shareholder of CAM	Nature of Relationship	Estimated value from 22 June 2020 (date of the forthcoming 19 th AGM) to 30 June 2021 (expected date of next AGM) (RM'000)	Frequency of Transaction	Last Year Mandate (Note B) (RM'000)	Actual Value Transacted (Note C) (RM'000)
CPOMSB	HUE	Purchase of building materials and metal fabrication equipment and products	Hia Wan Kiga	Note A	1,500	Monthly	1,500	539

Notes:

- 1) Details of the nature of the RRPT with the Related Party are described in Section 1.6.
- 2) Details of interests of Hia Wan Kiga, an Executive Director and a major shareholder of CAM, and persons connected to him in HUE are described in Table A.
- A) Mr Hia Wan Kiga is a director and a major shareholder of HUE
- B) Estimate value of transactions as per the Circular to Shareholders for the mandate dated 26 April 2019
- C) Actual value of transactions from 21 June 2019 to 4 May 2020, the latest practicable date before printing of the Circular.

The estimated value of the RRPT as set out above is for the period from the conclusion of the 19th AGM until the conclusion of the next AGM of the Company.

Transaction value is estimate based on the aggregate value of transactions of year 2019. However, the estimated transaction value may vary from the actual transacted value in the future. The actual value will be disclosed in the Annual Report of the Company in respect of the financial year ending 31 December 2020.

1.5 Outstanding RRPT Receivables

As at the financial year ended 31 December 2019, there was no outstanding amount due and owing to the CAM Group by its Related Party arising from the RRPT, which exceeded the credit term given.

1.6 Nature of the RRPT

All the RRPT involved are in the ordinary course of business. These transactions are long term relationships.

i) Purchase of building materials and metal fabrication equipment and products.

As the nature of business of CPOMSB are manufacturing and sale of crude palm oil, palm kernel and other related products, it purchases building materials and metal fabrication equipment and products from HUE.

1.7 Rationale for the Proposed Renewal of Shareholders' Mandate

The Related Party transactions entered or to be entered by the Group were/are in the ordinary course of business. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval before entering into such Related Party transactions. As such, the Board is seeking the Proposed Renewal of Shareholders' Mandate pursuant to paragraph 10.09 of the Listing Requirements for the Related Party transactions, described in Section 1.4 above to allow the Group to enter into such RRPT, are undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders of the Company.

By obtaining the Proposed Renewal of Shareholders' Mandate on an annual basis would eliminate the need to announce to Bursa Securities and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur. This would substantially reduce the time, administrative requirements, inconveniences and expenses associated with the convening of such meetings, without compromising the corporate objectives of the CAM Group and adversely affecting the business opportunities available to the Group.

1.8 Benefits of the RRPT

The CAM Group has a well-established business relationship with the Related Party who has been a long-term supplier and contractor for the CAM Group. The building materials and metal fabrication equipment and products obtained from the Related Party are priced indistinctively to the public and the transactions are undertaken on an arm's length basis and on terms not more favourable to the Related Party than those generally available to the public. The close co-operation between the CAM Group and the Related Party has reaped mutual benefits and has been and is expected to continue to be of benefits to the business of the CAM Group.

1.9 Review Procedures

The CAM Group has established various procedures to ensure that the RRPT is undertaken on an arm's length basis and on normal commercial terms, which are consistent with the Group's usual business practices and policies, and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of CAM.

Quotations will be obtained, where practical and feasible, from third parties to ascertain appropriate transaction prices. Where the cost-plus method is used to determine the transaction prices by adding an appropriate mark-up to the cost, the mark-up earned is to be consistent with those earned from unrelated party transactions. At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the Group will ensure that the RRPT with Related Parties will only be entered into after taking into account the pricing, level of services, quality of products and other related factors.

The CAM Group has established the following review and disclosure procedures with regards to the RRPT:

- i) A list of Related Parties of the CAM Group and a summary explaining what constitutes a RRPT will be circulated to the Directors and management of the Company and its subsidiaries to notify that all such RRPT is required to be undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company. The list of the Related Parties will be continuously updated and circulated to the Directors and the management of the Company and its subsidiaries, as and when the RRPT's status changes or additional RRPT is included or at least once a year in the event there are no changes of status or inclusion of additional RRPT;
- ii) All RRPT shall be reviewed by the Audit Committee of the Company who will make the necessary recommendation to the Board of Directors of CAM;
- iii) A register/record shall be maintained by the Company to record all RRPT entered pursuant to the Proposed Renewal of Shareholders' Mandate;
- iv) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- v) The Board of Directors of CAM and its Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done at every year together with the review of quarterly results; and

- vi) The Board of Directors of CAM and its Audit Committee shall review the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company, as they deem appropriate. If a member of the Board or the Audit Committee has an interest, direct or indirect, in the RRPT, he/she will abstain from deliberation and any decision making in respect of the said transaction.

1.10 Threshold of Authority

All RRPT are subject to review by the Audit Committee and that there are no specific thresholds for approval of RRPT within the CAM Group. However, all RRPT are subject to the approval of appropriate level of authority as determined by senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary.

1.11 Statement by the Audit Committee

The Audit Committee has reviewed the procedures mentioned in Section 1.9 above and is of the view that the said procedures are sufficient to ensure that the RRPT are not more favourable to Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit Committee is also satisfied that the CAM Group has put in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee reviews the RRPT and these procedures and processes on a quarter and annual basis respectively.

1.12 Condition for the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate is conditional upon approval being obtained from the shareholders of the Company at the 19th AGM.

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2. DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect shareholdings of the interested Director and/or Major Shareholder and persons connected to them as at 4 May 2020 are as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Director and/or Major Shareholder				
- Hia Wan Kiga	20,895,374	10.92	-	-
Person Connected with Directors and/or Major Shareholders				
None				

Mr Hia Wan Kiga (Interested Director) has abstained and will continue to abstain from all deliberations and voting on the Proposed Renewal of Shareholders' Mandate at the relevant Board meetings of CAM. He will also abstain from voting in respect of his direct and indirect interest on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 19th AGM. He has undertaken to ensure that persons connected to him will also abstain from voting in respect of his direct and indirect interest on the said resolution at the 19th AGM.

Save as aforesaid, none of the other directors, major shareholders of CAM or persons connected to them has any interests, direct or indirect, on the Proposed Renewal of Shareholders' Mandate.

3. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Director), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and its shareholders and accordingly, recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 19th AGM.

4. AGM

The Notice of the 19th AGM to consider and if thought fit, pass the resolution pertaining to the Proposed Renewal of Shareholders' Mandate as set out herein is also enclosed in the Annual Report 2019. The 19th AGM will be held at Ballroom, Level 1, Espira Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 22 June 2020 at 11.00 a.m.

If you are unable to attend and vote in person at the 19th AGM, you are requested to complete and return the Form of Proxy as attached in the Annual Report 2019 in accordance with the instructions printed therein as soon as possible and in any event so as to arrive at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01,

Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set for the AGM. The completion and returning of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

5. FURTHER INFORMATION

Save as disclosed herein, the Directors do not have any knowledge of any other information concerning the Proposed Renewal of Shareholders' Mandate as shareholders and their professional advisers would reasonably require and expect to find in the Circular for the purpose of making an informed assessment as to the merits of approving the Proposed Renewal of Shareholders' Mandate and the extent of the risks involved in doing so.

Shareholders are requested to refer to the attached Appendix 1 for further information.

Yours faithfully
For and on behalf of the Board of Directors of
CAM RESOURCES BERHAD

LEE CHIN YEN
Executive Chairman

Table A**Details of interests of the Director and/or Major Shareholder, Hia Wan Kiga, and Persons Connected to him in HUE as at 4 May 2020**

	HUE			
	Direct		Indirect	
Director/Major Shareholder of CAM	No. of Shares	%	No. of Shares	%
Hia Wan Kiga	80,000	80.00	-	-
Connected Persons				
Phing Siew Hoong	20,000	20.00	-	-

PART B

STATEMENT TO SHAREHOLDERS

in relation to

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

PROPOSED RENEWAL OF AUTHORITY FOR CAM RESOURCES BERHAD TO BUY-BACK AND HOLD NOT MORE THAN TEN PER CENTUM (10%) OF ITS TOTAL ISSUED SHARES

1. INTRODUCTION

CAM had on 17 February 2020, announced that the Company is proposing to seek its shareholders' approval for the renewal of authority for the Proposed Share Buy-Back at the forthcoming Nineteenth Annual General Meeting ("AGM").

The purpose of this Statement is to provide you with the relevant details of the Proposed Share Buy-Back to be tabled at the AGM, which will be held at Ballroom, Level 1, Espira Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 22 June 2020 at 11.00 a.m.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board had, during the AGM on 21 June 2019, obtained its shareholders' approval for the existing authority to purchase up to 10% of the total number of issued Shares of the Company. The said authorisation shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company.

The Board is seeking shareholders' approval for the renewal of authority for CAM to purchase and/or hold from time to time and at any time up to 10% of its total number of issued Shares. As at 4 May 2020 (being the last practicable date prior to the printing of this Statement), the total number of issued Shares of CAM is 196,800,000 Shares and as such, the maximum number of Shares which may be purchased by the Company will be no more than 19,680,000 Shares.

Save for the following purchases, there were no resale or transfer and cancellation of treasury shares made by the Company in the previous twelve (12) months preceding the date of this Statement.

Date of Purchase	Total Number of Shares Purchased	Lowest Price Paid RM	Highest Price Paid RM	Average Price Paid RM	Total Consideration RM
31/12/2019	71,000	0.24	0.24	0.24	17,131.76
09/03/2020	307,100	0.21	0.22	0.22	67,860.73
13/03/2020	109,200	0.22	0.22	0.22	24,152.98

The total cumulative CAM Shares which have been bought and retained as treasury shares as at 4 May 2020 is 5,384,256 Shares representing 2.74% of the issued share capital of CAM. Hence, the balance that can be purchased after taking into account the total cumulative treasury shares held by the Company up to 4 May 2020 is 14,295,744 CAM Shares.

The Board's proposed intention for those purchased shares to be retained as treasury shares which may be utilised for future dividend pay-out.

The monthly highest and lowest prices of the shares of CAM as traded on Bursa Securities for the past twelve (12) months from May 2019 to April 2020 are as follows:-

Month	High (RM)	Lower (RM)
2019		
May	0.295	0.22
June	0.24	0.24
July	0.27	0.21

August	0.23	0.215
September	0.25	0.21
October	0.25	0.20
November	0.23	0.21
December	0.24	0.21
2020		
January	0.28	0.21
February	0.305	0.21
March	0.22	0.17
April	0.24	0.24

Source: Investing.com

The last transaction price of CAM Shares on 4 May 2020, being the latest practicable date prior to the printing of this Statement : RM0.20

The authority from shareholders, if renewed, shall be effective upon the passing of the resolution at the AGM, and will remain in effect until the conclusion of the next annual general meeting of the Company, or until the expiry of the period within which the next annual general meeting is required by law to be held, unless revoked or varied by a resolution of the shareholders of the Company in general meeting, whichever occurs first.

Based on the shareholdings of the substantial shareholders as at 4 May 2020 and assuming the Proposed Share Buy-Back is implemented in full, the proforma effects as set out in the Statement indicate the share buy-back exercise does not have any implication on the Code as none of the substantial shareholder(s) and/or parties acting in concert with them will hold more than 33%, direct and indirect interest, in CAM. In the event an obligation to undertake a mandatory offer is expected to arise resulting from the Proposed Share Buy-Back, the relevant party acting in concert shall make the necessary application to the Securities Commission Malaysia for an exemption from undertaking the mandatory offer under the Code.

3. REASONS FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is likely to potentially benefit CAM and its shareholders in the following manner:-

- (i) CAM may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares;
- (ii) General investors' confidence in the stability of CAM Share's price is expected to be enhanced as CAM is empowered to implement the Proposed Share Buy-Back;
- (iii) The Proposed Share Buy-Back is to enhance value for shareholders from a resultant reduction in the number of shares in the market, all things being equal. Further, it may increase the earnings per share when the purchased shares are cancelled, thereby making the shares more attractive to investors; and
- (iv) CAM may utilise the treasury shares as future dividend pay out to CAM shareholders and/or for resale or transfer in the market should opportunities arise in the future.

However, the Proposed Share Buy-Back will reduce the financial resources of the CAM Group, which may result in the CAM Group foregoing other investment opportunities that may emerge in the future. As the Proposed Share Buy-Back can only be made out of retained profits of CAM, it may result in the reduction of financial resources available for distribution to shareholders in

the immediate future. Nevertheless, the Board will be mindful of the interests of the CAM Group and its shareholders in implementing the Proposed Share Buy-Back.

4. FUNDING

A sum of not exceeding the Company's retained profits at the time of purchase(s) will be allocated for the Proposed Share Buy-Back and shall be financed from internal generated funds and/or external borrowings, the proportion of which will only be determined later depending on the available internally generated funds, actual number of shares to be purchased and other relevant cost factors. In the event the Company decides to use external borrowings, the Company will ensure that it has sufficient financial capability to repay such borrowings and that the external borrowings are not expected to have any adverse effects on the cash flow of the Group.

Depending on the quantum and the purchase price, the Proposed Share Buy-Back may reduce the working capital of the CAM Group.

Based on the latest audited financial statements for the financial year ended 31 December 2019, the Company's retained profits are RM29,946,872.

5. PROPOSED SHARE BUY-BACK EFFECTS ON DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

5.1 Directors

The effects of the Proposed Share Buy Back on the shareholdings of the Directors of CAM based on the Register of Directors as at 4 May 2020 are as follows:-

	As at 4 May 2020 No. of CAM Shares				After the Proposed Share Buy-Back No. of CAM Shares			
	Direct	%*	Indirect	%*	Direct	%**	Indirect	%**
Lee Chin Yen	28,550,240	14.92	28,831,304***	15.06	28,550,240	16.12	28,831,304***	16.28
Tan Hong Cheng	22,167,350	11.58	1,950,355****	1.02	22,167,350	12.52	1,950,355****	1.10
Hia Wan Kiga	20,895,374	10.92	-	-	20,895,374	11.80	-	-
Lee Poh Choo	4,411,093	2.30	19,570,091**** *	10.22	4,411,093	2.49	19,570,091**** *	11.05
Tan Kim Hong	557,700	0.29	-	-	557,700	0.31	-	-
Chai Moi Kim	-	-	-	-	-	-	-	-
Azizul Bin Mohd Othman	-	-	-	-	-	-	-	-
Chia Kay Joo	-	-	-	-	-	-	-	-
Chan Kee Loin	-	-	-	-	-	-	-	-

Notes:

* Calculated based on 191,415,744 CAM Shares (excluding the existing 5,384,256 CAM Shares in the treasury) as at 4 May 2020.

** Calculated based on 177,120,000 CAM Shares on the assumption the Proposed Share Buy-Back is undertaken in full and that the maximum of 14,295,744 CAM Shares

purchased plus the existing 5,384,256 CAM Shares in the treasury collectively representing 10% of the issued Shares of CAM as at 4 May 2020 are to be retained as Treasury Shares and/or to be cancelled.

*** *Deemed interested by virtue of Shares held by his daughters, Lee Poh Choo, Lee Poh Hong and Lee Poh Nai, and Sunleap Industries Sdn Bhd*

**** *Deemed interested by virtue of Shares held by his son and daughters, Tan Ooi Khoi, Tan Kim Hong and Tan Kim Sok*

***** *Deemed interested by virtue of Shares held by Sunleap Industries Sdn Bhd*

5.2 Substantial Shareholders

The effects of the Proposed Share Buy Back on the shareholdings of the substantial shareholders of CAM based on the Register of Substantial Shareholders as at 4 May 2020, are as follows:-

	As at 4 May 2020 No. of CAM Shares				After the Proposed Share Buy-Back No. of CAM Shares			
	Direct	%*	Indirect	%*	Direct	%**	Indirect	%**
Lee Chin Yen	28,550,240	14.92	28,831,304***	15.06	28,550,240	16.12	28,831,304***	16.28
Tan Hong Cheng	22,167,350	11.58	1,950,355****	1.02	22,167,350	12.52	1,950,355****	1.10
Hia Wan Kiga	20,895,374	10.92	-	-	20,895,374	11.80	-	-
Goh Yok Tek	16,200,000	8.46	-	-	16,200,000	9.15	-	-
Sunleap Industries Sdn Bhd	19,570,091	10.22	-	-	19,570,091	11.05		
Lee Poh Choo	4,411,093	2.30	19,570,091**** *	10.22	4,411,093	2.49	19,570,091**** *	11.05
Lee Poh Hong	4,085,260	2.13	19,570,091**** *	10.22	4,085,260	2.31	19,570,091**** *	11.05
Lee Poh Nai	764,860	0.40	19,570,091**** *	10.22	764,860	0.43	19,570,091**** *	11.05
Lee Teng Kok	-	-	19,570,091**** *	10.22	-	-	19,570,091**** *	11.05
Lee Teng Huii	-	-	19,570,091**** *	10.22	-	-	19,570,091**** *	11.05

Notes:

* *Calculated based on 191,415,744 CAM Shares (excluding the existing 5,384,256 CAM Shares in the treasury) as at 4 May 2020.*

** *Calculated based on 177,120,000 CAM Shares on the assumption the Proposed Share Buy-Back is undertaken in full and that the maximum of 14,295,744 CAM Shares purchased plus the existing 5,384,256 CAM Shares in the treasury collectively representing 10% of the issued Shares of CAM as at 4 May 2020 are to be retained as Treasury Shares and/or to be cancelled.*

*** *Deemed interested by virtue of Shares held by his daughters, Lee Poh Choo, Lee Poh Hong and Lee Poh Nai, and Sunleap Industries Sdn Bhd*

**** *Deemed interested by virtue of Shares held by his son and daughters, Tan Ooi Khoi, Tan Kim Hong and Tan Kim Sok*

***** *Deemed interested by virtue of Shares held by Sunleap Industries Sdn Bhd*

Further to the above, the Board is mindful of the requirement that the Proposed Share Buy-Back must not result in the number of CAM Shares which are in the hands of the public falling below 25% of the total number of issued Shares of CAM. As at 4 May 2020, the public shareholding spread of the Company was 46.51%. The public shareholdings spread of the Company as at 4 May 2020 and after incorporating the effects of the Proposed Share Buy-Back are as follows:-

	Public Shareholding	
	No. of CAM Shares	%
As at 4 May 2020*	89,018,670	46.51
After the Proposed Share Buy-Back**	74,722,926	42.19

Notes:

* Taking into consideration the 5,384,256 CAM Shares in CAM's Share Buy-Back Account as at 4 May 2020, and assuming all Shares purchased will be cancelled.

** Assuming that the remaining 14,295,744 CAM Shares (being the maximum number of shares that could be purchased of 19,680,000 CAM Shares less the number of treasury shares in CAM's Share Buy Back Account as at 4 May 2020) are bought back and the CAM Shares are acquired from the minority shareholders of CAM.

6. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

6.1 Proposed Share Buy-Back

The financial effects of the Proposed Share Buy-Back are presented below based on the following assumptions:

- (i) the purchase of own shares of up to 10% of the total number of issued Shares of CAM is implemented in full; and
- (ii) CAM Shares so purchased are cancelled.

6.1.1 Share Capital

For illustration purposes only, the scenario below shows the movement of the share capital of the Company as at 4 May 2020 upon the implementation of the Proposed Share Buy-Back, assuming that 10% of CAM's issued Shares are purchased and cancelled.

	No. of CAM Shares
Existing total issued Shares as at 4 May 2020	196,800,000
No. of CAM Shares to be purchased and cancelled pursuant to the Proposed Share Buy-Back	19,680,000
Resultant issued Shares upon completion of the Proposed Share Buy-Back	177,120,000

6.1.2 NA AND WORKING CAPITAL

The Proposed Share Buy-Back may increase or decrease the NA per Share of the CAM Group depending on the purchase price in comparison to the NA per Share of CAM Group at the time that the purchase is made.

In addition to the purchase price of the CAM Shares, the effective cost of funds or any loss in interest income to the Group may also have an impact on the NA per Share.

If the purchased CAM Shares were held as treasury shares and subsequently resold on the Bursa Securities, the Company's NA per CAM Share would increase if the Company realises a gain from the resale and vice-versa.

If the treasury shares are distributed as share dividends, the NA of CAM Group will decrease by the cost of the treasury shares.

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum being dependent on the amount of financial resources to be utilised for the purchase of the CAM Shares, which in turn depends on, amongst others, the purchase price and the number of CAM Shares purchased.

6.1.3 Earnings

Depending on the number of CAM Shares purchased and the purchase prices of the CAM Shares, the Proposed Share Buy-Back may increase the earnings per share of the CAM Group. Similarly, on the assumption that the CAM Shares so purchased are treated as treasury shares, the extent of the effect on earnings of the CAM Group will depend on the actual selling prices, the number of treasury shares resold and the effective gain or interest savings arising thereof.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage shareholdings of the Shareholders as a result of the Proposed Share Buy-Back, none of the Major Shareholders and/or Directors of CAM and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale or transfer of the treasury shares.

8. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. Accordingly, your Directors recommend that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

9. FURTHER INFORMATION

Save as disclosed herein, the Directors do not have any knowledge of any other information concerning the Proposed Share Buy-Back as shareholders and their professional advisers would reasonably require and expect to find in the Statement for the purpose of making an informed assessment as to the merits of approving the Proposed Share Buy-Back and the extent of the risks involved in doing so.

Shareholders are requested to refer to the attached Appendix 1 for further information.

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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular/Statement has been seen and approved by the Board of Directors who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular/Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

Neither CAM nor any of its subsidiaries has entered into any material contracts (not being contracts entered in the ordinary course of business) during the two (2) years preceding the date of this Circular/Statement.

3. MATERIAL LITIGATION

Neither CAM nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of Directors do not have any knowledge of any proceeding, pending or threatened against CAM or its subsidiaries or any facts likely to give rise to any proceedings which might adversely and materially affect the position of CAM or its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the Registered Office of CAM from the date of this Circular/Statement up to and including the date of the forthcoming Nineteenth AGM:

- i) Constitution of CAM;
- ii) The audited consolidated financial statements of CAM for the two (2) financial years ended 31 December 2018 and 31 December 2019; and
- iii) The unaudited quarterly results for the period ended 31 March 2020 were not available as it has not been approved by the Board or published at the time of issuance of the Circular/Statement.



CAM RESOURCES BERHAD
(200001032704 [535311-D])
(Incorporated in Malaysia)

**EXTRACT OF RESOLUTIONS TO BE TABLED AS SPECIAL BUSINESS AT THE
NINETEENTH ANNUAL GENERAL MEETING**

ORDINARY RESOLUTION

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT, subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into related party transactions with the mandated related party, particulars of which are set out in Section 1.4 of the Circular dated 22 May 2020, provided that such transactions are:-

- (a) recurrent transaction of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- (c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm’s length basis and on normal commercial terms with those generally available to the public; and
- (d) not detrimental to the interests of the minority shareholders of the Company.

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next annual general meeting (“AGM”) of the Company following this annual general meeting where the authority is approved, at which time the authority will lapse unless renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be authorised to do, carry out and complete all such acts, things and arrangements (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions as contemplated/authorised by the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions.”

ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“THAT, subject to the Companies Act 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution and the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or transfer the shares under employee share scheme or as purchase consideration,

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”