

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 Dec 2007
(Figures have not been audited)

RM	Note	2007 Current quarter ended 31 Dec	2006 Comparative quarter ended 31 Dec	2007 12 months cumulative to date	2006 12 months cumulative to date
REVENUE		137,960,008	119,802,234	527,890,882	442,600,300
OPERATING EXPENSES	1	(132,108,606)	(110,208,812)	(484,483,726)	(406,303,238)
OTHER OPERATING INCOME		1,269,768	870,390	5,324,082	5,018,843
PROFIT FROM OPERATIONS		7,121,170	10,463,812	48,731,038	41,315,905
FINANCE COSTS		(2,862,828)	(1,222,301)	(9,117,955)	(4,751,830)
INVESTING RESULTS	2	1,426,819	(111,171)	1,288,497	(197,371)
PROFIT BEFORE TAXATION		5,685,161	9,130,340	40,901,580	36,366,704
TAXATION		(2,536,004)	(771,919)	(15,026,255)	(11,975,443)
PROFIT FOR THE PERIOD/YEAR		3,149,157	8,358,421	25,875,325	24,391,261
ATTRIBUTABLE TO :-					
EQUITY HOLDERS OF THE PARENT		3,089,219	8,300,137	24,949,822	24,154,951
MINORITY INTEREST		59,938	58,284	925,503	236,310
PROFIT FOR THE PERIOD/YEAR		3,149,157	8,358,421	25,875,325	24,391,261
EPS - Basic (sen)	3	2.29	6.22	18.50	18.10
EPS - Diluted (sen)	3	2.29	-	18.48	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006

Note 1 - Operating Expenses

Operating expenses represents the followings:-

Cost of sales	115,467,564	103,373,553	445,416,258	378,671,527
Other operating expenses	16,641,042	6,835,259	39,067,468	27,631,711
Total	132,108,606	110,208,812	484,483,726	406,303,238

Note 2 - Investing Results

Investing results represents the followings:-

Share of profit/(losses) from associated companies	1,561,116	9,133	1,559,719	(3,245)
Share of losses from joint ventures	(134,297)	(120,304)	(271,222)	(194,126)
Total	1,426,819	(111,171)	1,288,497	(197,371)

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(Figures have not been audited)

Note 3 - EPS - Basic & Diluted (sen)

The basic earnings per share has been calculated based on the consolidated profit after taxation and minority interests of **RM24,949,822 (2006: RM24,154,951)** and on the weighted average number of ordinary shares in issue during the year of **134,832,467 (2006 :133,420,800[#])**.

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **135,031,060 (2006: NA due to anti dilutive effect)** after the inclusion of the number of unexercised options outstanding as at 31 Dec 2007 of **422,600 (2006: 5,336,800[#])** shares .

The share options were calculated based on the number of shares which could have been acquired at the market price (The share options were calculated based on the number of shares which could have been acquired at the market price (the average 12 months price of the Company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to the shareholders for the share options calculations as the exercise price of the option shares is deemed to be their average fair value during the year.

[#] (1/ 2006's number was adjusted due to share splitting from 841,000/- per share to 18,025/- per share in FY 2007)

	NO. of Shares of RM0.50 each
Weighted average number of shares as at 31/12/2007	134,832,467
Add : Dilutive ESOS	198,593
Adjusted weighted average number of shares	135,031,060

Note 4 - Recurrent Related Party Transactions

The significant transactions with the Directors, parties connected to the Directors and companies in which the Directors have substantial financial interest are as follows:

Trade

Purchases from following subsidiaries of Chuan Huat Resources Berhad, a company in which Dato' Sri Haji Wan Zaki bin Haji Wan Muda has substantial financial interest and is also a director :-

- Chuan Huat Industrial Marketing Sdn Bhd
- Chuan Huat Hardware Sdn Bhd

	2007 12 months cumulative to date	2006 12 months cumulative to date
	15,497,591	14,311,923
	75,250	0
	39,035	0

Purchases from QMC Sdn Bhd, a company in which Dato' Sri Haji Wan Zaki has substantial financial interest and is also a director

Non-Trade

Administrative service charged by Zaki Holdings (M) Sdn Bhd

Rental paid and payable to Zaki Holdings (M) Sdn Bhd

Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd

Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd

Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda

	122,400	121,200
	420,000	420,000
	614,016	365,640
	9,937	8,393
	96,000	36,000

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 Dec 2007
(Figures have not been audited)

	As at 31 Dec 2007	As at 31 Dec 2006
ASSETS		
Non-current assets		
Property, plant and equipment	42,012,796	37,748,620
Prepaid lease payment	8,583,165	10,017,557
Goodwill	3,744,605	3,744,605
New planting expenditure	32,742,485	12,862,724
Investment properties	24,550,000	24,550,000
Investments in associates	84,584,274	59,875
Interest in joint ventures	(28,873,165)	(28,601,943)
Other investments	8,615,500	4,615,500
Total non current assets	175,959,660	64,996,938
Current assets		
Inventories	11,960,625	10,521,722
Property development expenditure	2,531,332	1,784,567
Trade & other receivables	272,599,231	246,063,818
Tax assets	3,967	737,035
Cash & cash deposits	210,925,004	145,004,720
Total current assets	498,020,159	404,111,862
Total assets	673,979,819	469,108,800
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	69,132,900	66,710,400
Share premium	4,413,125	2,180,250
Exchange reserves	(1,546,822)	47,892
Revaluation reserves	-	-
Retained earnings	85,108,109	67,482,326
Total equity	157,107,312	136,420,868
Minority interest	3,686,167	2,760,664
Total equity and minority interest	160,793,479	139,181,532
Non-current liabilities		
Long-term borrowings	161,910,209	51,350,526
Deferred tax	5,035,710	5,039,510
Total non-current liabilities	166,945,919	56,390,036
Current liabilities		
Trade and other payables	288,568,065	254,826,555
Short term borrowings	52,670,651	12,640,669
Current portion of long-term borrowings	2,957,066	3,687,933
Tax liabilities	2,044,639	2,382,075
Proposed dividend	(0)	(0)
Total current liabilities	346,240,421	273,537,232
Total liabilities	513,186,340	329,927,268
Total equity and liabilities	673,979,819	469,108,800

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 12 MONTHS ENDED 31 December 2007
(Figures have not been audited)

12 months ended 31 Dec 2007

	Attributable to equity holders of the parent					Minority Interest	Total Equity
	Share Capital	Share Premium	Forex Translation Reserve	Revaluation Reserve	Retained Profits		
Balance at the beginning of the year	66,710,400	2,180,250	47,892	0	67,482,326	2,760,864	139,181,832
Reclassification of revaluation reserve to retained earnings in relation to investment property Movements during the year	2,422,500	2,543,625	0	0	0	0	0
Issue of shares pursuant to ESOS	0	(310,750)	0	0	0	0	4,966,125
Corporate Exercise Expenses	0	0	0	0	24,949,822	925,503	(310,750)
Net profit for the year	0	0	(1,594,714)	0	24,949,822	0	24,949,822
Movement in foreign exchange difference	0	0	0	0	0	0	(1,594,714)
First & final dividend paid(15% per share less 27% income tax)	0	0	0	0	(7,324,039)	0	(7,324,039)
Balance at the end of the year	66,712,900	4,413,125	(1,546,822)	0	85,108,109	3,686,167	160,793,479

Balance at the beginning of the year
Reclassification of revaluation reserve to retained earnings in relation to investment property Movements during the year
Issue of shares pursuant to ESOS
Corporate Exercise Expenses
Net profit for the year
Movement in foreign exchange difference
First & final dividend paid(15% per share less 27% income tax)

(0)

12 months ended 31 Dec 2006

	Attributable to equity holders of the parent					Minority Interest	Total Equity
	Share Capital	Share Premium	Forex Translation Reserve	Revaluation Reserve	Retained Profits		
Balance at the beginning of the year	66,710,400	2,180,250	(10,461)	7,002,890	45,077,208	2,524,354	123,484,641
Effect of adopting FRS140	0	0	0	(5,454,890)	5,454,890	0	0
Deferred tax relating to adoption of FRS140	0	0	0	(1,548,000)	0	0	(1,548,000)
Movements during the year	0	0	0	0	0	0	0
Issue of shares pursuant to ESOS	0	0	0	0	0	0	0
Net profit for the year	0	0	0	0	24,154,951	236,310	24,391,261
Movement in foreign exchange difference	0	0	58,353	0	0	0	58,353
First & final dividend paid(15% per share less 28% income tax)	0	0	0	0	(7,204,723)	0	(7,204,723)
Balance at the end of the year	66,710,400	2,180,250	47,892	0	67,482,326	2,760,864	139,181,532

Balance at the beginning of the year
Effect of adopting FRS140
Deferred tax relating to adoption of FRS140
Movements during the year
Issue of shares pursuant to ESOS
Net profit for the year
Movement in foreign exchange difference
First & final dividend paid(15% per share less 28% income tax)

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2006.

The revaluation reserve has been reclassified to retained earnings to conform with the requirement of FRS 140, Investment Property.

AHMAD ZAKI RESOURCES BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 Dec. 2007

(Figures have not been audited)

	12 months ended 31 Dec 2007 RM	12 months ended 31 Dec 2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	40,901,580	36,366,704
Adjustments for:-		
Amortisation of prepaid lease rental	8,360	22,376
Depreciation of property, plant & equipment	7,009,240	5,459,571
Property, plant & equipment written off	20,016	277,102
Interest expenses	9,887,638	4,481,301
Interest revenue	(4,677,985)	(3,190,472)
Gain on disposal of property, plant & equipment	(301,544)	(356,019)
Loss on disposal of property, plant & equipment	12,945	-
Unrealised loss of foreign exchange	2,849,431	794,444
Changes in fair value of investment properties	-	(350,000)
Dividend Revenue	-	(2,609)
Share of results of joint ventures	271,222	194,126
Share of results of associated companies	(1,569,719)	3,245
Operating profit before working capital changes	54,421,184	43,699,769
(Increase)/decrease in inventories	(1,438,904)	4,991,759
Decrease/(Increase) in amount due from customers for contract work	34,163,757	(82,175,440)
Increase in property development expenditure	(746,765)	(142,075)
Increase/(Decrease) in amount due to customers for contract work	19,563,805	(176,695)
Increase in trade and other receivables	(63,592,883)	(8,484,132)
Increase in trade and other payables	12,738,985	69,530,344
Cash (used in)/generated from operations	55,109,179	27,241,530
Tax paid	(14,634,408)	(8,398,343)
Interest payment	(6,566,548)	(4,481,301)
Net cash (used in)/generated from operating activities	31,908,223	14,361,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Development expenditure	(18,816,642)	(9,935,163)
Investment in unquoted bonds	(4,000,000)	-
Investment in quoted shares	(82,984,680)	-
Interest received	4,763,450	3,190,472
Purchase of property, plant & equipment	(5,216,502)	(14,430,436)
Proceeds from disposal of property, plant & equipment	1,686,688	725,598
Dividend Revenue	-	2,609
Net cash used in investing activities	(104,547,686)	(20,446,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment from related companies	76,450	1,256
Dividend paid	(7,324,039)	(7,204,723)
Proceeds from paid up capital	4,655,375	-
Proceeds from trust receipts/murabahah	69,418,499	10,260,378
(Repayment)of trust receipts/murabahah	(29,443,202)	(1,082,372)
Payment to hire purchase creditors	(3,193,577)	(2,586,970)
Term loan drawdown	107,000,000	-
Repayment of term loan	(1,388,575)	(818,441)
Net cash generated from/(used in) financing activities	139,800,931	(1,410,872)
Effects of exchange difference on cash & cash equivalents	(1,060,599)	78,006
Net increase/(decrease) in cash and cash equivalents	67,161,468	(7,495,906)
Cash and cash equivalents at beginning of the year	141,316,787	148,734,687
Cash and cash equivalents at end of the year	207,427,656	141,316,787
Cash and cash equivalents included in the condensed cash flows statements comprise the following amounts :-		
Cash and bank balances	44,741,128	36,025,977
Cash deposits with licensed banks	166,183,876	108,978,743
Bank overdrafts	(3,497,348)	(3,687,933)
	207,427,656	141,316,787

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2006.

Selected Explanatory Notes

a. Accounting Policies

The interim financial statements has been prepared in accordance with Financial Reporting Standards (FRS) 134-2004 Interim Financial Reporting, and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and these explanatory notes attached to the interim financial statements as they provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

The accounting policies, method of computation and basis of consolidation applied in the unaudited condensed interim financial statements are consistent with those used in the preparation of the 2006 audited financial statements except for the changes arising from the adoption of the new and revised FRSs issued by MASB that are effective for the financial year beginning on or after 1 January 2007. The new and revised FRSs considered in this announcement are as follows:-

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the new and revised FRSs does not have significant financial impact on the Group except as discussed below:-

FRS117 : Leases

The Group previously treated leasehold land held for own used as property , plant and equipment and was stated at cost less accumulated depreciation and impairment losses. Adoption of FRS117 has resulted in leasehold land held for own use is to be treated as operating lease and prepaid lease payments are to be amortised on straight line basis over the remaining lease term of the land.

The Group has applied the above change in accounting policy in accordance with the transitional provisions of FRS117 whereby the unamortised amount of leasehold land is retained as the surrogate carry amount of the prepaid lease payments.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the following comparatives were restated following the adoption of FRS117:

As previously stated	Reclassification	Restated
RM	RM	RM

As at 1 January 2006

Properties, plant and equipment (net book value)

47,766,177 (10,017,557) 37,748,620

Prepaid lease payment

10,017,557 10,017,557

b. Status of Financial Statements Qualification

The auditors' report on preceding audited financial statements for the year ended 31 December 2006 was not subject to any qualification.

c. Review of Seasonality or Cyclicity of Operations

Seasonality due to weather is not foreseen to affect the construction operations. However, the bunkering activity will be affected by the monsoon at the end of the year and this has been taken into consideration in the Group's annual business plan.

d. Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows That are Unusual to the Nature, Size or Incidence

There was no unusual items due to the nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date.

e. Changes in Estimates Reported in Prior Financial Year

There was no material changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimates of amounts reported in prior financial years which have a material effect on the current quarter or financial year-to-date.

f. Changes in Equity/Debt Securities

During the financial year ended 31 December 2007, the issued and paid-up capital of the Company was increased from RM66,710,400 to RM69,132,900 by way of the issuance of 2,422,500 AZRB Shares under the AZRB Employees' Share Option Scheme at the option price of RM2.05 per share.

There were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares during the current quarter and financial year-to-date.

g. Dividends Paid

The Company had on 19th July 2007 paid a first and final dividend of 15% less tax at 27% amounting to RM 7,324,039/- in respect of the financial year ended 31 December 2006.

h. Segment Reporting

Segment reporting is presented in respect of the Group's business segment. Inter-segment pricing is determined based on cost plus method.

	Construction RM	Trading in oil and gas & other related services RM	Other operations RM	Eliminations RM	Consolidated RM
31-December-07					
REVENUE					
External revenue	460,481,495	62,431,920	4,977,267	-	527,890,682
Inter – segment revenue	-	2,495,961	-	(2,495,961)	-
Total revenue	460,481,495	64,927,881	4,977,267	(2,495,961)	527,890,682

RESULT

Segment result	35,898,263	12,101,268	(3,176,795)	-	44,822,736
Interest revenue					4,677,985
Interest expenses					(9,887,638)
Share of results in joint ventures	(271,222)				(271,222)
Share of results of associated co.	(7,263)	1,566,982			1,559,719
Income taxes					(15,026,255)
Profit after taxation but before minority interest					25,875,325
Minority interest					(925,503)
Profits attributable to shareholders					24,949,822

	Construction RM	Trading in oil and gas & other related services RM	Other operations RM	Eliminations RM	Consolidated RM
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31-December-06

REVENUE

External revenue	387,986,792	52,105,877	2,507,631	-	442,600,300
Inter – segment revenue		1,511,410	2,088,000	(3,599,410)	-
Total revenue	387,986,792	53,617,287	4,595,631	(3,599,410)	442,600,300

RESULT

Segment result	30,714,604	9,485,471	(2,345,171)	-	37,854,904
Interest revenue					3,190,472
Interest expenses					(4,481,301)
Share of results in joint ventures	(194,126)				(194,126)
Share of results of associated co.	(3,245)				(3,245)
Income taxes					(11,975,443)
Profit after taxation but before minority interest					24,391,261
Minority interest					(236,310)
Profits attributable to shareholders					24,154,951

i. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the latest audited annual financial statements.

j. Subsequent Events

There were no material events subsequent to the end of the current quarter up to 27 February 2008 (being the latest practicable date from the date of issuance of the 4th Quarter Report) that have not been reflected in the financial statements

for the current quarter and financial year-to-date save for the renounceable two-call rights issue of up to 138,265,800 new ordinary shares of RM0.50 each (“Rights Shares”) at an issue price of RM0.50 per Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary shares of RM0.50 each held in the Company which was successfully completed and listed on the Bursa Malaysia on 12 February 2008.

k. Changes in the Composition of the Group

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

- a) Hidro Fokus Sdn Bhd ceased to be an associated company of the Group as the company was struck off by Companies Commission of Malaysia on 11/6/2007 under voluntary liquidation exercise. There is no material financial effect arising from the liquidation of Hidro Fokus Sdn Bhd as the company is dormant.
- b) AZRB Properties Sdn Bhd (AZRBP) was incorporated on 9 October 2007 as 100% owned subsidiary of Ahmad Zaki Resources Berhad. AZRBP is having a fully paid-up capital of RM2/- each comprising 2 shares of RM1/-each and an authorised share capital of 100,000 shares of RM1/- each.
- c) EKVE Sdn Bhd (EKVE) was incorporated on 7 November 2007 as 100% owned subsidiary of Ahmad Zaki Resources Berhad. EKVE is having a fully paid-up capital of RM2/- each comprising 2 shares of rM1/-each and an authorised share capital of 100,000 shares of RM1/-each.
- d) The Company has completed the acquisition of 34,400,000 ordinary shares of RM1.00 each in Eastern Pacific Industrial Corporation Berhad (EPIC) for a total cash consideration of RM82.56 million on 9 October 2007 resulting EPIC effectively as an associated company of the Group.

l. Changes in Contingent Liabilities and Contingent Assets

The Group do not have material contingent liabilities as at 27 February 2008 (being the latest practicable date from the date of issuance of the 4th Quarter Report) save as disclosed in item 11 below.

Explanatory Notes
Bursa Malaysia Revised Listing Requirements

1. **Review of Performance**

	Year ended 31/12/2007 (RM' million)	Year ended 31/12/2006 (RM' million)	Variance (RM' million)
Revenue	527.89	442.60	85.29
Profit before tax	40.90	36.37	4.53

For the financial year ended 31 December 2007, the Group achieved higher in revenue by 19% or **RM85 million** and higher in profit before tax by 13% or **RM4.53 million** than preceding year respectively. Both its construction and bunkering operation performed better than corresponding year.

The major portion of revenue was contributed by its construction division from domestic as well as overseas projects which in total todate posted a revenue of **RM460.5 million** or 87% of the Group's revenue (2006: **RM388.0 million** or 88%) and its profit before tax before associated companies and joint-ventures' results, interest income and expenses allocation at **RM35.9 million** (2006: **RM30.7 million**). The improved revenue was attributed increase in numbers of contracts as compared to Yr 2006.

The Group's bunkering operation achieved better performance than Yr 2006 by registering profit before tax and interest income and expenses of **RM12.1 million** (2006: RM9.5 million) on the back of a higher revenue by **RM10.6 million**. The bunkering division posted a revenue of **RM64.9 million** or 12% of the Group's revenue (2006: RM53.6 million or 12%).

Overall order book for its construction division is now at **RM1.17 billion** mainly comprises Subang Kelana Link Phase II (**RM74 million**), Indoor Stadium at Gong Badak (**RM40 million**), Federal Road 3 from Pekan to Kuantan (**RM297 million**) and Court Complex at Petaling Jaya (**RM15 million**), Alfaisal University (**RM121 million**), Upgrading road at Jitra - Kodiang Package 2 (**RM48 million**), IT Expressway (**RM53 million**), Putrajaya Mosque (**RM92 million**), Lebuhraya Pantai Timur Package 6, 5A & 9C (**RM315 million**), Sekolah Menengah Sains Hulu Terengganu (**RM42 million**), Reinforced Concrete Structure for Laboratory Buildings of King Abdullah University of Science and Technology (**RM44 million**) and Upgrading Road Works from Bulatan Sultan Mansur ke Kuala Berang :Package 3A (**RM33 million**).

In the opinion of the Directors, the results for the current quarter and financial year todate have not been affected by any transaction or event of a material and unusual nature which has arisen between 31 December 2007 to 27 February

2008 (being the latest practicable date from the date of issuance of the 4th Quarter Report) save for renounceable two-call rights issue of 138,265,800 new ordinary shares of RM0.50 each (“Rights Shares”) at an issue price of RM0.50 per Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary shares of RM0.50 each held in the Company which was successfully completed and listed on 12 February 2008.

2. Review of Material Changes between Current Quarter and Preceding Quarter

	Current Qtr RM'000	Preceding Qtr RM'000	+/(-) RM'000
Revenue	137,960	150,737	(12,777)
Profit before tax	5,685	14,833	(9,148)

The current financial quarter's profit before tax declined by **RM9.0 million** mainly due to increase in interest expenses (**RM1.0 million**) and unrealised foreign exchange loss (**RM2.1 million**) and operating expenses (**RM5.5 million**).

3. Prospects

The Group expects to maintain good performance in the following year with its current healthy order book.

4. Variation of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

Not applicable.

5. Taxation

Taxation comprises :

	Current Qtr 31.12.2007 RM'000	Cum Current YTD 31.12.2007 RM'000
Malaysia Income Tax		
- Current taxation	194	11,915
- Under/(over) provision in respect of prior years	(84)	276
Foreign Income Tax		
- Current taxation	972	1,381
- Under/(over) provision in respect of prior years	1,458	1,458
Deferred taxation	(4)	(4)
Total	2,536	15,026

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before taxation as a result of the following differences :

	Current Qtr 31.12.2007 RM'000	Cumulative Current YTD 31.12.2007 RM'000
Accounting profit before taxation	5,685	40,902
Tax at the statutory income tax rate of 27%	1,535	11,043
- Effect of lower tax rate of foreign subsidiary	(73)	(225)
- Non deductible expenses	(300)	2,474
- Under provision of tax	1,374	1,734
Total Tax Expense	2,536	15,026

6. Profit on Sale of Unquoted Investments and/or Properties

There were no profits on the sale of unquoted investments and/or properties out of the ordinary course of business for the current quarter/financial year-to-date.

7. Investment in Quoted Securities

Total purchase of quoted securities during the financial quarter or financial year to date are as follows:

	Current Qtr 31.12.2007 RM'000	Current YTD 31.12.2007 RM'000
Bursa Malaysia		
Purchase#	82,965	82,965
<i># for EPIC shares</i>		
		31.12.2007 RM'000
i) At Cost		82,965
ii) At Carry Value		82,965
ii) At Market Value		90,479

8. Corporate Proposals

There are no corporate proposals which have been announced by the Company but not completed as at 27 February 2008 (being the latest practicable date from the date of issuance of the 4th Quarter Report).

9. Group Borrowings and Debts Securities

The Group borrowings as at 31 December 2007 are as follows:

Facilities	Secured RM	Unsecured RM	Total RM
<i>Short Term</i>			
Bank Overdraft	3,497,348	-	3,497,348
Trust Receipts	4,173,303	-	4,173,303
Murabahah	45,000,000	-	45,000,000
Term Loan	90,213	-	90,213
Hire Purchase	2,866,853	-	2,866,853
Subtotal	55,627,717	-	55,627,717
<i>Long Term</i>			
Term Loan	67,000,000	85,000,000	152,000,000
Hire Purchase	9,910,209	-	9,910,209
Subtotal	76,910,209	85,000,000	161,910,209
Grand total	132,537,926	85,000,000	217,537,926

The Group does not have any foreign loan as at 31 December 2007.

10. Off Balance Sheets Financial Instruments

The Group does not have any financial instruments with off balance sheets risk as at 27 February 2008 (being the latest practicable date from the date of issuance of the 4th Quarter Report).

11. Material Litigation

At the date of this announcement, the Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group and the Company except as disclosed as follows:

a) Claim or litigation brought against the Company :

(i) Tenaga Nasional Berhad (TNB) vs Ahmad Zaki Resources Berhad

TNB has on 7 December 2006 filed a negligence suit against AZRB, for damage allegedly caused by AZRB on their 33kV cables. The amount of TNB's claim is RM312,995.00 in special damages and RM9 million in general damages for loss of reputation and grievances. AZRB has filed its defence and counter-claim on 28 February 2007, claiming that TNB has been negligent in not providing a proper plan which accurately states the location of the 33kV cables. AZRB's insurer, Hong Leong Assurance Berhad is holding a watching brief in this matter.

Pursuant to a court order dated 5 July 2007 obtained pursuant to AZRB's application, TNB has filed further and better particulars on its statement of claim. In the mean time, the TNB has filed an application to amend their statement of claim, but the application has yet to be sealed and extracted. The court has fixed 4 October 2007 for case management, but the court would only issue case management directions after pleadings are closed.

During the case management on 4 October 2007, the court granted TNB's application to amend their statement of claim, and instructed TNB to file in the duly amended statement of claim. The said case was transferred from the Commercial Division to Civil Division of High Court and is awaiting the Court to fix the case management date.

AZRB, in consultation with its solicitors, is of the opinion that TNB would not be able to prove its case against AZRB, and that AZRB stands a reasonable chance of proving that negligence, if any, was the part of TNB for failure to provide a proper plan indicating the existence of the cables at the point of damage and to expediently relocate the 33kV cables.

(ii) Signage Incorporated Sdn Bhd ("Signage") vs Ahmad Zaki Resources Berhad

Signage has on 21 September 2007 filed a suit against AZRB at the Kuala Lumpur High Court for inter alia damages under the tort of conversion purportedly for demolition and/or removal of structures and advertisement board by AZRB. The amount of Signage's claim is RM4,400,000.00. The sealed copy of the suit was served on AZRB's solicitors on 3 October 2007. AZRB has filed its statement of defence with the High Court on 24 October 2007 and the Court had fixed the hearing date for this matter on 27 May 2008.

AZRB, in consultation with its solicitors, is of the view that AZRB has a firm defence against Signage's allegations.

b) Claims or litigations brought against its wholly owned subsidiary, Ahmad Zaki Sdn Bhd ["AZSB"] by creditors of its joint venture projects with 3rd parties

(i) **Westbury Tubular (M) Sdn. Bhd. ("Westbury") vs. AZSB, Murray & Roberts (Malaysia) Sdn. Bhd. ("M&R") and WCT Engineering Berhad ("WCT") (collectively "the Defendants")**

Westbury filed a claim against the Defendants on 24 February 2000 for RM3,090,204.11 being the outstanding amount due to Westbury pursuant to sub-contract works for a roof system done by Westbury under a sub-contract agreement ("Subcontract Agreement") between Westbury and the AZSB-M&R-WCT Joint Venture ("JV"), a JV among the Defendants pursuant to a JV Agreement dated 24 April 1997 for a project known as Formula One Racing Circuit Facility and Associated Works at the KLLA, Sepang, Selangor Darul Ehsan.

The Directors of AZRB are of the view that since AZSB has an indemnity against WCT pursuant to a supplementary agreement to the JV Agreement dated 24 September 1997 in respect of any claims arising howsoever under the JV, therefore AZSB will be indemnified by WCT (if necessary) whatever the outcome of this case.

Status: The matter is brought before the Court of Appeal on the issue whether the Plaintiff has rightfully commenced the action without referring the same for mediation and/or arbitration. The Court of Appeal has fixed 28th June 2005 for hearing and subsequently adjourned to 1st December 2005 for case management. The matter was set for a Mention on 8th March 2006 and subsequently set for trial on 3rd March 2008 to 5th March 2008.

(ii) **Artic Building and Civil Engineering Sdn. Bhd. ("ABCE") vs. AZSB, Peremba Construction Sdn. Bhd. ("Peremba") and Vital Field Sdn. Bhd. ("Vital Field")**

ABCE commenced an action against AZSB and Peremba on 10 April 1999 for RM587,029.63 being the outstanding amount due in respect of goods allegedly ordered by Vital Field and supplied to the joint venture project (relating to the site development at Kertih Industrial Area, Kemaman, Terengganu) undertaken by the Peremba-Ahmad Zaki JV, a JV entered into between AZSB and Peremba pursuant to a JV Agreement dated 30 December 1997 ("JV Agreement").

The solicitors of AZSB in this matter are of the view that ABCE's claim against AZSB is unlikely to succeed as there is an agreement between the Peremba-Ahmad Zaki JV, Vital Field and ABCE that Vital Field is to pay all sums incurred by Vital Field directly to ABCE. Furthermore, pursuant to the JV Agreement, AZSB has an indemnity against Peremba in respect of any claims arising howsoever in respect of the JV. AZSB has on 20 October 2000 filed in the court its defence to ABCE's claim and the Notice of Indemnity against Peremba.

Status: The decision is now fixed for mention on 28 February 2008 .

(iii) Westbury Tubular (M) Sdn. Bhd. ("Westbury") vs. AZSB, Murray & Roberts (Malaysia) Sdn. Bhd. ("M&R") and WCT Engineering Berhad ("WCT") (collectively "the Defendants")

Westbury filed a writ of summons against the Defendants on 6 September 2005 for RM14,776,522.48 being the outstanding amount due to Westbury pursuant to sub-contract works for variation orders done by Westbury under a sub-contract agreement ("Subcontract Agreement") between Westbury and the AZSB-M&R-WCT Joint Venture ("JV"), a JV among the Defendants pursuant to a JV Agreement dated 24 April 1997 for a project known as Formula One Racing Circuit Facility and Associated Works at the KLLA, Sepang, Selangor Darul Ehsan.

The Directors of AZRB are of the view that since AZSB has an indemnity against WCT pursuant to a supplementary agreement to the JV Agreement dated 24 September 1997 in respect of any claims arising howsoever under the JV, therefore AZSB will be indemnified by WCT (if necessary) whatever the outcome of this case.

Status: The Company is disputing the Plaintiff's claims, and shall in consultation with the solicitors, take the necessary legal action to rebut their claims and defend the case. The Plaintiff had applied to consolidate this case with the case in item (i) above and the matter was allowed by Court and court files for both cases have been physically transferred to the same court. In the mean time, the plaintiff's solicitors have written to court for case management of the matters. The court has fixed 27 March 2008 for case management.

The Directors are of the opinion that the above litigations or claim will not have any material impact on the financial position and business of the Group due to the fact that the respective joint venture partners are contractually bound to indemnify AZSB in respect of any claims arising howsoever from the implementation of the joint-venture projects.

12. Dividend

For the financial year ended 31 December 2007, the Board is recommending a first and final dividend of 5 sen gross per share [2006#: 7.5 sen gross per share] for the shareholders' approval at the forthcoming Annual General Meeting of the Company after considering the further enlarged shares capital resulting from the Rights Shares which was successfully completed and listed on Bursa Malaysia on 12 February 2008.

13. Earnings Per Share

The basic earnings per share has been calculated based on the consolidated profit after taxation and minority interests of **RM24,949,822**(2006: RM24,154,951) and on the weighted average number of ordinary shares in issue during the year of **134,832,467** (2006: 133,420,800#).

The fully diluted earnings per share for the year has been calculated using an enlarged weighted average number of shares of **135,031,060** (2006: NA due to anti dilutive effect) after the inclusion of the number of unexercised options outstanding as at 31 December 2007 of **422,600** (2006:5,336,800#) shares.

The share options were calculated based on the number of shares which could have been acquired at the market price (The share options were calculated based on the number of shares which could have been acquired at the market price (the average 12 months price of the Company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to the shareholders for the share options calculations as the exercise price of the option shares is deemed to be their average fair value during the year.

(Yr 2006's number was adjusted due to share splitting, from RM1.00/= per share to RM0.50/= per share in Yr 2007)

	No. of Shares of RM0.50 each
Weighted average number of shares as at 31/12/2007	134,832,467
Add : Dilutive ESOS	198,593
Adjusted weighted average number of shares	135,031,060