



**FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2008
[UNAUDITED]**

AHMAD ZAKI RESOURCES BERHAD
 CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008
 (Figures have not been audited)

RM	Note	2008 Current quarter ended 31 March	2007 Comparative quarter ended 31 March	2008 3 months cumulative to date	2007 3 months cumulative to date
REVENUE		159,867,691	123,568,153	159,867,691	123,568,153
OPERATING EXPENSES	1	(153,455,759)	(113,417,070)	(153,455,759)	(113,417,070)
OTHER OPERATING INCOME		1,296,425	1,576,483	1,296,425	1,576,483
PROFIT FROM OPERATIONS		7,708,357	11,727,566	7,708,357	11,727,566
FINANCE COSTS		(4,314,021)	(2,454,217)	(4,314,021)	(2,454,217)
INVESTING RESULTS	2	1,480,074	(65,388)	1,480,074	(65,388)
PROFIT BEFORE TAXATION		4,874,410	9,207,961	4,874,410	9,207,961
TAXATION		(2,121,531)	(3,356,529)	(2,121,531)	(3,356,529)
PROFIT FOR THE PERIOD/YEAR		2,752,879	5,851,432	2,752,879	5,851,432
ATTRIBUTABLE TO :-					
EQUITY HOLDERS OF THE PARENT		2,430,016	5,483,042	2,430,016	5,483,042
MINORITY INTEREST		322,863	368,390	322,863	368,390
PROFIT FOR THE PERIOD/YEAR		2,752,879	5,851,432	2,752,879	5,851,432
EPS - Basic (sen)	3	0.88	2.28	0.88	2.28
EPS - Diluted (sen)	3	0.87	2.26	0.87	2.26

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007

Note 1 - Operating Expenses

Operating expenses represents the followings:-

Cost of sales	137,975,046	105,601,149	137,975,046	105,601,149
Other operating expenses	15,480,713	7,815,921	15,480,713	7,815,921
Total	153,455,759	113,417,070	153,455,759	113,417,070

Note 2 - Investing Results

Investing results represents the followings:-

Share of profit/(losses) from associated companies	1,480,074	-	1,480,074	-
Share of losses from joint ventures	-	(65,388)	-	(65,388)
Total	1,480,074	(65,388)	1,480,074	(65,388)

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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 **RM2,430,016 (2007: RM5,483,042)** and on the weighted average number of ordinary shares in issue during the period of **276,531,600 (2007 :240,977,301^{#1})**.

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **279,606,215 (2007: 242,638,723)** after the inclusion of the number of unexercised options outstanding as at 31 March 2008 of **9,529,953 (2007: 5,336,800^{#2})** 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 3 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 period.

#1 (Yr 2007's number was adjusted due to share splitting from RM1.00 – per share to RM0.50 – per share in Yr 2007 and 2 Calls Rights Issue completed in Yr 2008)

#2 (Yr 2007'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 31/03/2008	276,531,600
Add : Dilutive ESOS	3,074,615
Adjusted weighted average number of shares	279,606,215

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:

	2008 3 months cumulative to date	2007 3 months cumulative to date
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	2,967,331	5,869,887
- Chuan Huat Hardware Sdn Bhd	18,500	
Purchases from QMC Sdn Bhd, a company in which Dato' Sri Haji Wan Zaki has substantial financial interest and is also a director	53,688	0
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	30,600	30,000
Rental paid and payable to Zaki Holdings (M) Sdn Bhd	105,000	105,000
Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd	158,627	130,436
Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd	3,569	1,416
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	9,000	9,000

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008
(Figures have not been audited)

	As at 31 March 2008	As at 31 December 2007
ASSETS		
Non-current assets		
Property, plant and equipment	42,177,777	41,644,699
Prepaid lease payment	8,497,019	8,582,009
Goodwill	3,744,605	3,744,605
New planting expenditure	36,955,967	31,954,480
Investment properties	25,000,000	25,000,000
Investments in associates	88,119,682	84,762,385
Interest in joint ventures	(28,873,164)	(28,873,164)
Other investments	8,615,500	8,615,500
Total non current assets	184,237,386	175,430,514
Current assets		
Inventories	9,571,623	12,142,953
Property development expenditure	2,045,534	2,531,332
Trade & other receivables	261,390,930	289,331,747
Tax assets	2,581,904	2,514,749
Cash & cash deposits	261,910,299	207,990,592
Total current assets	537,500,290	514,511,373
Total assets	721,737,676	689,941,887
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	138,265,800	69,132,900
Reserves	71,801,995	89,819,619
Total equity	210,067,795	158,952,519
Minority interest	4,266,320	3,603,457
Total equity and minority interest	214,334,115	162,555,976
Non-current liabilities		
Long-term borrowings	160,766,721	161,001,406
Deferred tax	5,091,672	5,091,419
Total non-current liabilities	165,858,393	166,092,825
Current liabilities		
Trade and other payables	293,809,101	300,187,725
Short term borrowings	41,232,368	52,670,651
Current portion of long-term borrowings	3,971,076	3,865,865
Tax liabilities	2,532,623	4,568,845
Proposed dividend	(0.00)	
Total current liabilities	341,545,168	361,293,086
Total liabilities	507,403,561	527,385,911
Total equity and liabilities	721,737,676	689,941,887

AHMAD ZAKI RESOURCES BERHAD
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 31 MARCH 2008
 (Figures have not been audited)

3 months ended 31 March 2008

	Attributable to equity holders of the parent						Minority Interest	Total Equity	
	Share Capital	Share Premium	Forex Translation Reserve	Capital Reserve	Reserve on Share Base Payment	Retained Profits			Sub-total
Balance at the beginning of the period/year	69,132,900	4,723,875	(1,425,488)	67,951	0	86,453,281	158,952,519	3,603,457	162,555,976
Movements during the year									
Issue of option pursuant to ESOS		0	0	0	1,446,723	0	1,446,723	0	1,446,723
Addition paid up capital from Minority Interest							0	340,000	340,000
Issue of shares pursuant to Rights Issue	69,132,900	(3,813,329)				(16,926,541)	48,393,030		48,393,030
Corporate Exercise Expenses		(910,546)					(910,546)		(910,546)
Net profit for the year	0	0	0	0	0	2,430,016	2,430,016	322,863	2,752,879
Movement in foreign exchange difference	0	0	(243,947)	0	0	0	(243,947)	0	(243,947)
Balance at the end of the period/year	138,265,800	0	(1,669,435)	67,951	1,446,723	71,956,756	210,067,795	4,266,320	214,334,115

3 months ended 31 March 2007

	Attributable to equity holders of the parent						Minority Interest	Total Equity	
	Share Capital	Share Premium	Forex Translation Reserve	Capital Reserve	Reserve on Share Base Payment	Retained Profits			Sub-total
Balance at the beginning of the period/year	66,710,400	2,180,250	47,892	0		67,482,326	136,420,868	2,760,664	139,181,532
Movements during the year									
Issue of shares pursuant to ESOS	47,400	49,770	0	0	0	0	97,170	-	97,170
Net profit for the year	0	0	0	0	0	5,483,042	5,483,042	368,390	5,851,432
Movement in foreign exchange difference	0	0	(461,390)	0	0	0	(461,390)		(461,390)
Balance at the end of the period/year	66,757,800	2,230,020	(413,498)	0	0	72,965,368	141,539,690	3,129,054	144,668,744

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007

AHMAD ZAKI RESOURCES BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2008
(Figures have not been audited)

	3 months ended 31 March 2008 RM	3 months ended 31 March 2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	4,874,410	9,207,961
Adjustments for:-		
Amortisation of prepaid lease rental	1,736	5,241
Depreciation of property, plant & equipment	1,957,517	1,536,000
Staff cost in respect of share base payment	1,446,723	-
Interest expenses	3,237,157	1,646,128
Interest revenue	(1,418,274)	(935,422)
Gain on disposal of property, plant & equipment	(20,197)	(87,722)
Loss on disposal of property, plant & equipment	-	-
Unrealised loss of foreign exchange	4,119,555	-
Changes in fair value of investment properties	-	-
Dividend Revenue	-	-
Share of results of joint ventures	-	65,388
Share of results of associated companies	(1,480,074)	-
Operating profit before working capital changes	12,718,553	11,437,574
(Increase)/Decrease in inventories	2,571,331	(1,654,304)
(Increase)/Decrease in amount due from customers for contract work	(1,656,732)	30,764,181
Decrease in property development expenditure	485,799	2,588
Increase/(Decrease) in amount due to customers for contract work	(5,400,956)	(6,121,841)
(Increase)/Decrease in trade and other receivables	24,884,506	(31,910,911)
Increase/(Decrease) in trade and other payables	1,032,773	(19,615,157)
Cash generated/(used in) from operations	34,635,274	(17,097,870)
Tax paid	(4,224,641)	(1,659,491)
Interest payment	(4,840,181)	(1,646,128)
Net cash generated/(used in) from operating activities	25,570,452	(20,403,489)
CASH FLOWS FROM INVESTING ACTIVITIES		
Development expenditure	(4,679,944)	(2,930,886)
Investment in unquoted bonds	-	(4,000,000)
Investment in quoted shares	(1,877,224)	-
Interest received	1,503,842	935,422
Purchase of property, plant & equipment	(2,129,024)	(1,056,007)
Proceeds from disposal of property, plant & equipment	20,200	1,405,000
Dividend Revenue	-	20,758
Net cash used in investing activities	(7,162,150)	(5,625,713)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment from related companies	(63,492)	-
Advance from Joint Ventures	504,000	-
Dividend paid	-	-
Proceeds from paid up capital	48,393,030	97,170
Settlement of right issue expenses	(910,546)	-
Proceeds from trust receipts/murabahah	7,136,666	38,965,949
(Repayment)of trust receipts/murabahah	(15,089,208)	(9,207,776)
Payment to hire purchase creditors	(1,012,977)	(530,643)
Term loan drawdown	-	40,000,000
Repayment of term loan	(90,213)	(215,583)
Net cash generated from/(used in) financing activities	38,867,260	69,109,117
Effects of exchange difference on cash & cash equivalents	129,885	(226,688)
Net increase/(decrease) in cash and cash equivalents	57,275,562	43,079,915
Cash and cash equivalents at beginning of the year/period	204,493,244	141,316,787
Cash and cash equivalents at end of the period	261,898,691	184,170,014
Cash and cash equivalents included in the condensed cash flows statements comprise the following amounts :-		
Cash and bank balances	65,386,543	42,933,038
Cash deposits with licensed banks	196,523,755	145,523,275
Bank overdrafts	(11,607)	(4,286,299)
	261,898,691	184,170,014

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007.