

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008
(Figures have not been audited)

RM	Note	2008 Current quarter ended 30 June	2007 Comparative quarter ended 30 June	2008 6 months cumulative to date	2007 6 months cumulative to date
REVENUE		182,933,961	115,625,246	342,801,652	239,193,399
OPERATING EXPENSES	1	(174,814,601)	(103,585,793)	(328,270,360)	(217,002,863)
OTHER OPERATING INCOME		1,892,846	1,176,645	3,189,272	2,753,128
PROFIT FROM OPERATIONS		10,012,206	13,216,098	17,720,564	24,943,664
FINANCE COSTS		(2,856,045)	(1,968,978)	(7,170,067)	(4,423,195)
INVESTING RESULTS	2	2,011,888	(71,657)	3,491,962	(137,045)
PROFIT BEFORE TAXATION		9,168,049	11,175,463	14,042,459	20,383,424
TAXATION		(4,317,585)	(3,695,618)	(6,439,116)	(7,052,147)
PROFIT FOR THE PERIOD/YEAR		4,850,464	7,479,845	7,603,343	13,331,277
ATTRIBUTABLE TO :-					
EQUITY HOLDERS OF THE PARENT		4,720,756	7,331,050	7,150,772	12,814,092
MINORITY INTEREST		129,708	148,795	452,571	517,185
PROFIT FOR THE PERIOD/YEAR		4,850,464	7,479,845	7,603,343	13,331,277
EPS - Basic (sen)	3	1.71	3.04	2.59	5.31
EPS - Diluted (sen)	3	1.70	3.01	2.58	5.26

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	161,808,067	97,740,467	299,783,114	203,341,616
Other operating expenses	13,006,534	5,845,326	28,487,246	13,661,247
Total	174,814,601	103,585,793	328,270,360	217,002,863

Note 2 - Investing Results

Investing results represents the followings:-

Share of profit/(losses) from associated companies	1,710,872	(120)	3,190,946	(120)
Share of profit/(losses) from joint ventures	301,016	(71,537)	301,016	(136,925)
Total	2,011,888	(71,657)	3,491,962	(137,045)

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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 **RM7,150,772 (2007: RM12,814,092)** and on the weighted average number of ordinary shares in issue during the period of **276,531,600 (2007: 241,255,093^{#1})**.

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **276,923,257 (2007: 243,520,194)** after the inclusion of the number of unexercised options outstanding as at 30 June 2008 of **762,353 (2007: 4,983,200^{#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 6 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	391,657
Adjusted weighted average number of shares	276,923,257

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 6 months cumulative to date	2007 6 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	10,685,536	10,441,803
- Chuan Huat Hardware Sdn Bhd	54,450	0
Purchases from QMC Sdn Bhd, a company in which Dato' Sri Haji Wan Zaki has substantial financial interest and is also a director	98,037	0
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	61,200	60,000
Rental paid and payable to Zaki Holdings (M) Sdn Bhd	210,000	210,000
Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd	312,061	268,475
Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd	7,467	3,036
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	18,000	9,000