

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

RM	Note	2008 Current quarter ended 30 Sept	2007 Comparative quarter ended 30 Sept	2008 9 months cumulative to date	2007 9 months cumulative to date
REVENUE		165,643,558	150,737,275	508,445,211	389,930,674
OPERATING EXPENSES	1	(156,895,922)	(135,372,256)	(485,166,282)	(352,375,120)
OTHER OPERATING INCOME		1,684,386	1,301,186	4,873,657	4,054,314
PROFIT FROM OPERATIONS		10,432,022	16,666,205	28,152,586	41,609,868
FINANCE COSTS		(4,148,215)	(1,831,932)	(11,318,282)	(6,255,127)
INVESTING RESULTS	2	2,710,379	(1,278)	6,202,341	(138,322)
PROFIT BEFORE TAXATION		8,994,186	14,832,995	23,036,645	35,216,419
TAXATION		(3,438,207)	(5,438,105)	(9,877,323)	(12,490,252)
PROFIT FOR THE PERIOD/YEAR		5,555,979	9,394,890	13,159,322	22,726,167
ATTRIBUTABLE TO :-					
EQUITY HOLDERS OF THE PARENT		5,372,322	9,046,510	12,523,094	21,860,602
MINORITY INTEREST		183,657	348,380	636,228	865,565
PROFIT FOR THE PERIOD/YEAR		5,555,979	9,394,890	13,159,322	22,726,167
EPS - Basic (sen)	3	1.94	3.73	4.53	9.01
EPS - Diluted (sen)	3	1.94	3.70	4.52	8.94

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	150,982,680	126,607,078	450,765,794	329,948,694
Other operating expenses	5,913,242	8,765,178	34,400,488	22,426,426
Total	156,895,922	135,372,256	485,166,282	352,375,120

Note 2 - Investing Results

Investing results represents the followings:-

Share of profit/(losses) from associated companies	2,314,193	(1,278)	5,505,139	(1,397)
Share of profit/(losses) from joint ventures	396,186	-	697,202	(136,925)
Total	2,710,379	(1,278)	6,202,341	(138,322)

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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 **RM12,523,094 (2007: RM21,860,602)** and on the weighted average number of ordinary shares in issue during the period of **276,531,600 (2007: 242,650,609^{#1})**.

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **276,866,798 (2007: 244,505,911)** after the inclusion of the number of unexercised options outstanding as at 30 September 2008 of **762,353 (2007: 2,811,200^{#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 9 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 30/09/2008	276,531,600
Add : Dilutive ESOS	335,198
Adjusted weighted average number of shares	276,866,798

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 9 months cumulative to date	2007 9 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	14,798,858	13,644,779
- Chuan Huat Hardware Sdn Bhd	54,450	75,250
Purchases from following companies, companies in which Dato' Sri Haji Wan Zaki has substantial financial interest and is also a director		
- QMC Sdn Bhd	151,495	39,035
- Kemaman Quarry Sdn Bhd	643,121	0
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	91,800	91,800
Rental paid and payable to Zaki Holdings (M) Sdn Bhd	315,000	315,000
Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd	518,479	509,228
Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd	15,061	5,510
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	27,000	27,000