AHMAD ZAKI RESOURCES BERHAD

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009

(Figures have not been audited)

RM	Note	2009 Current quarter ended 30 June	2008 Comparative quarter ended 30 June	2009 6 months cumulative to date	2008 6 months cumulative to date
REVENUE		**81,914,676**	**182,933,961**	**192,018,725**	**342,801,652**
OPERATING EXPENSES	1	(74,238,788)	(174,814,601)	(176,736,212)	(328,270,360)
OTHER OPERATING INCOME		1,451,479	1,892,846	2,737,407	3,189,272
PROFIT FROM OPERATIONS		**9,127,367**	**10,012,206**	**18,019,920**	**17,720,564**
FINANCE COSTS		(3,500,427)	(2,856,045)	(7,865,423)	(7,170,067)
INVESTING RESULTS	2	3,467,873	2,011,888	5,611,860	3,491,962
PROFIT BEFORE TAXATION		**9,094,813**	**9,168,049**	**15,766,357**	**14,042,459**
TAXATION		(2,587,433)	(4,317,585)	(5,493,691)	(6,439,116)
PROFIT FOR THE PERIOD/YEAR		**6,507,380**	**4,850,464**	**10,272,666**	**7,603,343**
ATTRIBUTABLE TO :-					
EQUITY HOLDERS OF THE PARENT		6,359,008	4,720,756	10,054,904	7,150,772
MINORITY INTEREST		148,372	129,708	217,762	452,571
PROFIT FOR THE PERIOD/YEAR		**6,507,380**	**4,850,464**	**10,272,666**	**7,603,343**
EPS - Basic (sen)	3	2.30	1.71	3.64	2.59
EPS - Diluted (sen)	3	2.30	1.70	3.64	2.58

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

Note 1 - Operating Expenses

Operating expenses represents the followings:-

Cost of sales	66,867,773	161,808,068	164,073,488	299,783,114
Other operating expenses	7,371,015	13,006,533	12,662,724	28,487,246
Total	**74,238,788**	**174,814,601**	**176,736,212**	**328,270,360**

Note 2 - Investing Results

Investing results represents the followings:-

Share of profit/(losses) from associated companies	2,947,975	1,710,872	4,629,348	3,190,946
Share of profit/(losses) from joint ventures	519,898	301,016	982,512	301,016
Total	**3,467,873**	**2,011,888**	**5,611,860**	**3,491,962**

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 **RM10,054,904 (2008: RM7,150,772)** and on the weighted average number of ordinary shares in issue during the period of **276,531,600 (2008 :276,531,600).**

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **276,589,399 (2008: 276,923,257**) after the inclusion of the number of unexercised options outstanding as at 30 June 2009 of **674,322 (2008: 762,353)** 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.

	No. of Shares of RM0.50 each
Weighted average number of shares as at 30/06/2009	276,531,600
Add : Dilutive ESOS	57,799
Adjusted weighted average number of shares	276,589,399

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:

	2009 6 months cumulative to date	**2008 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	2,808,891	10,685,536
- Chuan Huat Hardware Sdn Bhd	0	54,450
Purchases from following companies, companies in which Dato' Sri Haji Wan Zaki has substantial financial interest and is also a director		
- QMC Sdn Bhd	104,784	98,037
- Kemaman Quarry Sdn Bhd	337,951	0
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	62,400	61,200
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	206,045	312,061
Accomodation charges paid and payable to Residence Inn & Motels Sdn Bhd	14,802	7,467
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	18,000	18,000

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009

	Not Audited As at 30 June 2009	(Audited) As at 31 December 2008
ASSETS		
Non-current assets		
Property, plant and equipment	45,736,090	48,408,426
Prepaid lease payment	8,072,078	8,242,056
Goodwill	3,744,605	3,744,605
New planting expenditure	71,030,677	62,956,106
Investment properties	19,500,000	19,500,000
Investments in associates	92,615,181	89,784,333
Interest in joint ventures	(28,698,666)	(28,698,666)
Other investments	2,615,500	2,615,500
Total non current assets	**214,615,466**	**206,552,360**
Current assets		
Inventories	7,836,958	12,927,339
Property development expenditure	5,597,194	5,831,594
Trade & other receivables	302,848,351	306,258,522
Tax assets	2,234,199	3,931,817
Cash & cash deposits	177,125,356	185,642,625
Total current assets	**495,642,058**	**514,591,897**
Total assets	**710,257,524**	**721,144,257**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	138,265,800	138,265,800
Reserves	77,976,340	73,068,506
Total equity	**216,242,140**	**211,334,306**
Minority interest	4,687,961	4,661,599
Total equity and minority interest	**220,930,101**	**215,995,905**
Non-current liabilities		
Long-term borrowings	156,693,384	161,476,632
Deferred tax	5,058,267	5,153,614
Total non-current liabilities	**161,751,651**	**166,630,246**
Current liabilities		
Trade and other payables	272,720,740	288,922,481
Short term borrowings	44,854,278	37,723,565
Current portion of long-term borrowings	5,631,499	9,865,602
Tax liabilities	(1,820,056)	2,006,458
Proposed dividend	6,189,311	0
Total current liabilities	**327,575,773**	**338,518,106**
Total liabilities	**489,327,424**	**505,148,352**
Total equity and liabilities	**710,257,524**	**721,144,257**

AHMAD ZAKI RESOURCES BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2009
(Figures have not been audited)

6 months ended 30 June 2009

	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	Treasury Shares	Sub-total		
Balance at the beginning of the period/year	138,265,800	-	(2,470,681)	67,951	-	76,475,858	(1,004,622)	211,334,306	4,661,599	215,995,905
Movements during the year								-		
Net profit for the year						10,054,904		10,054,904	217,762	10,272,666
Movement in foreign exchange difference			1,042,241					1,042,241	-	1,042,241
First & final dividend 2008 paid(3 sen per share at (RM0.50/=) par value less 25% income tax)						(6,189,311)		(6,189,311)	(191,400)	(6,380,711)
								-		-
Balance at the end of the period/year	**138,265,800**	**-**	**(1,428,440)**	**67,951**	**-**	**80,341,451**	**(1,004,622)**	**216,242,140**	**4,687,961**	**220,930,101**

6 months ended 30 June 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	Treasury Shares	Sub-total		
Balance at the beginning of the period/year	69,132,900	4,723,875	(1,425,488)	67,951	-	86,453,281	-	158,952,519	3,603,457	162,555,976
Movements during the year								-		
Issue of option pursuant to ESOS					1,446,723	-		1,446,723	-	1,446,723
Transfer of expired option to retained profit					(1,446,723)	1,446,723		-	-	-
Addition paid up capital from Minority Interest								-	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						7,150,772		7,150,772	452,571	7,603,343
Movement in foreign exchange difference			69,535			-		69,535		69,535
First & final dividend 2007 paid(5 sen per share at (RM0.50/=) par value less 26% income tax)						(10,225,757)		(10,225,757)		(10,225,757)
								-		-
								-		-
Balance at the end of the period/year	**138,265,800**	**-**	**(1,355,953)**	**67,951**	**-**	**67,898,478**	**-**	**204,876,276**	**4,396,028**	**209,272,304**

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008

AHMAD ZAKI RESOURCES BERHAD

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2009
(Figures have not been audited)

	6 months ended 30 June 2009 RM	6 months ended 30 June 2008 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	**15,766,357**	**14,042,459**
Adjustments for:-		
Amortisation of prepaid lease rental	3,473	3,473
Depreciation of property, plant & equipment	4,255,030	4,023,138
Staff cost in respect of share base payment	-	1,394,812
Interest expenses	6,664,913	6,241,901
Interest revenue	(1,810,306)	(2,960,250)
Gain on disposal of property, plant & equipment	(68,954)	(20,197)
Impairment loss on investment in unquoted shares	-	3,000,000
Unrealised loss/(gain) of foreign exchange	(2,635,273)	9,187
Share of results of joint ventures	(982,511)	(301,016)
Share of results of associated companies	(4,629,348)	(3,190,947)
Operating profit before working capital changes	**16,563,380**	**22,242,560**
Increase in inventories	5,090,381	(1,759,836)
(Increase)/Decrease in amount due from customers for contract work	9,881,406	(15,432,294)
(Increase)/Decrease in property development expenditure	234,400	832,765
(Decrease)/Increase in amount due to customers for contract work	(9,964,149)	791,708
Decrease/(Increase) in trade and other receivables	(4,406,756)	28,334,294
Decrease in trade and other payables	(3,955,197)	(12,837,642)
Cash generated/(used in) from operations	**13,443,466**	**22,171,555**
Tax paid	(7,717,917)	(7,538,897)
Interest payment	(8,233,254)	(6,292,449)
Net cash generated/(used in) from operating activities	**(2,507,705)**	**8,340,209**
CASH FLOWS FROM INVESTING ACTIVITIES		
Development expenditure	(7,453,538)	(14,741,019)
Investment in quoted shares	-	(1,877,223)
Interest received	1,797,802	3,045,818
Purchase of property, plant & equipment	(1,201,904)	(4,814,192)
Proceeds from disposal of property, plant & equipment	164,800	20,202
Dividend Revenue	1,798,500	919,021
Net cash used in investing activities	**(4,894,340)**	**(17,447,393)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from /(Repayment to) ultimate holding company	(77,424)	-
Repayment from/(to) related companies	411,470	(72,313)
Advance from/(repayment to) Joint Ventures	517,710	805,016
Dividend paid	(191,400)	-
Proceeds from paid up capital	-	48,393,030
Settlement of right issue expenses	-	(910,546)
Proceeds from trust receipts/murabahah	2,552,794	9,020,966
Repayment of trust receipts/murabahah	(4,509,502)	(24,589,269)
Payment to hire purchase creditors	(2,697,625)	(1,399,129)
Repayment of term loan	(4,000,000)	(90,213)
		-
Net cash generated from/(used in) financing activities	**(7,993,977)**	**31,157,542**
Effects of exchange difference on cash & cash equivalents	526,657	457,096
Net increase/(decrease)in cash and cash equivalents	(15,396,022)	22,050,358
Cash and cash equivalents at beginning of the year/period	175,777,022	204,493,244
Cash and cash equivalents at end of the year	**160,907,658**	**227,000,698**
Cash and cash equivalents included in the condensed cash flows statements comprise the following amounts :-		
Cash and bank balances	25,729,926	44,513,519
Cash deposits with licensed banks	151,395,430	182,487,179
Bank overdrafts	(16,217,698)	-
	160,907,658	**227,000,698**

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2008.

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 2008 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 2008.

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 2008 audited financial statements

b. **Status of Financial Statements Qualification**

The auditors' report on preceding audited financial statements for the year ended 31 December 2008 was not subject to any qualification.

c. **Review of Seasonality or Cyclicality 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.

f. **Changes in Equity/Debt Securities**

There were no issuance, cancellation, share-buy-back, resale of treasury shares and repayment of debt and equity securities by the Company during the current quarter and financial year-to-date.

g. **Dividends Paid**

There were no dividend paid during the financial period ended 30 June 2009.

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	**Trading in oil and gas & other related services**	**Other operations**	**Eliminations**	**Consolidated**
30-Jun-09	**RM**	**RM**	**RM**	**RM**	**RM**
REVENUE					
External revenue	174,768,253	15,483,815	1,766,657	-	192,018,725
Inter – segment revenue	-	5,918,779	-	(5,918,779)	-
Total revenue	174,768,253	21,402,594	1,766,657	(5,918,779)	192,018,725
RESULT					
Segment result	9,099,853	7,090,963	(1,989,877)	-	14,200,939
Interest revenue					1,810,306
Interest expenses					(5,856,748)
Share of results in joint ventures	982,512				982,512
Share of results in associated co.	-	4,629,348			4,629,348
Income taxes					(5,493,691)
Profit after taxation but before minority interest					10,272,666
Minority interest					(217,762)
Profits attributable to shareholders					10,054,904

30-Jun-08	Construction RM	Trading in oil and gas & other related services RM	Other operations RM	Eliminations RM	Consolidated RM
REVENUE					
External revenue	299,815,120	39,848,080	3,138,452	-	342,801,652
Inter – segment revenue	-	4,187,305	-	(4,187,305)	-
Total revenue	299,815,120	44,035,385	3,138,452	(4,187,305)	342,801,652
RESULT					
Segment result	11,015,037	7,044,971	(4,227,860)	-	13,832,148
Interest revenue					2,960,250
Interest expenses					(6,241,901)
Share of results in joint ventures	301,016				301,016
Share of results in associated co.	-	3,190,946			3,190,946
Income taxes					(6,439,116)
Profit after taxation but before minority					7,603,343
Minority interest					(452,571)
Profits attributable to shareholders					7,150,772

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 26 August 2009 (being the latest practicable date from the date of issuance of the 2nd Quarter Report) that have not been reflected in the financial statements for the current quarter and financial year-to-date.

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 .

l. **Changes in Contingent Liabilities and Contingent Assets**

The Group do not have material contingent liabilities as at 26 August 2009 (being the latest practicable date from the date of issuance of the 2nd Quarter Report) save as disclosed in item 11 below.

Explanatory Notes
Bursa Malaysia Revised Listing Requirements

1. **Review of Performance**

	6 months ended 30/06/2009 (RM'000)	6 months ended 30/06/2008 (RM'000)	Variance (RM'000)
Revenue	192,019	342,802	(150,783)
Profit before tax	15,766	14,043	1,723

The Group achieved better profit before tax by **RM1.7M** despite a significant decline in revenue for the period under review. The improved results mainly due to lower overhead costs and expected improved margins for selected projects.

The construction division reported lower revenue of **RM174.7 million** or 94% of the Group's revenue (2008: **RM300 million** or 86%) and a corresponding decline in profit before tax before associated companies and joint-ventures' results and interest at **RM9.0 million** (2008: **RM11.0 million**)

The Group's bunkering operation continue to sustain similar performance as per preceeding year quarter by registering a profit before tax of **RM7.0 million** (2008: **RM7.1 million**) on the back of a lower revenue by **RM23.0 million**. The bunkering division overall posted a revenue of **RM15.5 million** or 8.0% of the Group's revenue (2008: **RM39.8 million** or 11.6%) which mainly due to lower sales volume recorded.

Associated company, Eastern Pacific Industrial Corporation Berhad ("EPIC"), improved its contribution to the Group for the period todate ,with a share of results of **RM4.5 million** (2008:**RM3.2 million**).

Overall, order book for its construction division stood at **RM1,108 million** mainly comprise of Subang Kelana Link Phase II (**RM10 million**), Federal Road 3 from Pekan to Kuantan **(RM202 million),** Lebuhraya Pantai Timur Package 6, 5A & 9C **(RM164 million),**Sekolah Menengah Sains Hulu Terengganu **(RM11 million)**, University Darul Imam Infrastructure work **(RM30 million),** University Darul Imam Package 3 Building works **(RM225 million),** Maternity Hospital Terengganu (**RM 111 million**), Rectification works at Dataran Putra Persint 1, Putrajaya **(RM40 million)** , Istana Negara Interchange to Jalan Duta (**RM106 million**), IT Expressway **(RM3 million),** Reinforced Concrete Structure for Laboratory Buildings of King Abdullah University of Science and Technology **(RM4 million)** and Alfaisal University **(RM19 million),** Reinforced Concrete Structures for Tower H1-A, Jabal Omar Development. Mecca **(RM183 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 30 June 2009 to 26 August 2009 (being the latest practicable date from the date of issuance of the 2nd Quarter Report).

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

	Current Qtr RM	Preceding Qtr RM	+/(-) RM
Revenue	81,915	110,104	(28,189)
Profit before tax	9,094	6,672	2,422

On quarter to quarter basis, despite the lower revenue, the Group achieved better profit owing to lower overhead costs incurred, coupled with better performance by the associated company.

3. **Prospects**

Despite the early signs of economic recovery, the business environment for the Group's activities will remain to be challenging for the rest of the financial year. We foresee increase in the local construction activities as the government speeds up implementation of various infrastructure projects in an effort to spur economic growth. This, together with the expected improvement in the economic climate, augurs well for the Group's businesses.

Continuous efforts and initiatives shall be formulated and be put in place to ensure sustainability of the Group's businesses. Barring any unforeseen circumstances, the Group expects to record satisfactory performance for the remaining quarters of the financial year.

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

Not applicable.

5. **Taxation**

Taxation comprises :

	Current Qtr 30.06.2009 RM	Cumulative Current YTD 30.06.2009 RM
Base on results for the year	2,587,433	5,493,691
Origination and reversal of temporary differences	-	-
	2,587,433	5,493,691
Under/(over) provision in prior years	-	-
	2,587,433	**5,493,691**

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 30.06.2009 RM	Cumulative Current YTD 30.06.2009 RM
Accounting profits before taxation	9,094,813	15,766,357
Tax at the statutory income tax rate of 25%	2,273,704	3,941,589
- Effect of lower tax rate of foreign subsidiary	-	-
- Non deductible expenses	313,730	1,552,102
- Under/(over) provision in prior years	-	-
Tax Expense	**2,587,434**	**5,493,691**

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

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

7. **Investment in Quoted Securities**

a) There is no purchase of any quoted securities during the financial quarter or financial year to date.

b) The total investment in quoted shares as at end of the financial period to date are as follows:

	30.06.2009 RM'000
i) At Cost	85,487
ii) At Carrying Value	85,487
iii) At Market Value	56,833

8. **Corporate Proposals**

There are no corporate proposals which have been announced by the Company but not completed as at 26 August 2009 (being the latest practicable date from the date of issuance of the 2nd Quarter Report).

9. **Group Borrowings and Debts Securities**

The Group borrowings as at 30 June 2009 are as follows:

	Secured RM	Unsecured RM	Total RM
Short Term			
Bank Overdrafts	16,217,698	-	16,217,698
Trust Receipts	116,580	-	116,580
Murabahah	28,520,000	-	28,520,000
Term Loans	0	-	0
Hire Purchase	5,631,499	-	5,631,499
Subtotal	50,485,777	-	50,485,777
Long Term			
Term Loan	63,000,000	85,000,000	148,000,000
Hire Purchase	8,693,384	-	8,693,384
Subtotal	71,693,384	85,000,000	156,693,384
Grand total	**122,179,161**	**85,000,000**	**207,179,161**

The Group does not have any foreign loan as at 30 June 2009.

10. **Off Balance Sheets Financial Instruments**

The Group does not have any financial instruments with off balance sheets risk as at 26 August 2009 (being the latest practicable date from the date of issuance of the 2nd 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 tranferred from the Commercial Division to Civil Division of High Court and the Court has fixed ***2 September 2009*** deadline for submission and filing of the Statement of Agreed Facts, List of Issues to be Tried and Common Bundle of Documents by all parties involved to the Registrar and Managing Judge.

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 application to strike out the suit by Signage on 8 July 2008 and the Court had fixed the hearing date of the Plaintiff preliminary objection on **26 August 2009.**

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")**

(a)Kuala Lumpur High Court No. S2-22-132-2000
(b)Kuala Lumpur High Court No. S4-22-758-2005

In the suit referred to in paragraph (a) above, Westbury filed a claim against the Defendants on 24 February 2000 for RM3,090,204.11 allegedly for certain works carried out Westbury for the Defendants under a subcontract agreement between them. The matter is fixed for trial from 3 March 2008 to 5 March 2008.

The suit referred to in paragraph (b) above was filed by Westbury against the Defendants on 6 September 2005 for RM14,776,522.48 allegedly for works carried out by it pursuant to variation orders issued under the aforesaid subcontract agreement.

Pursuant to Westbury's application, the court had on 8 June 2007 ordered that both suits be consolidated. On 31 July 2007, the court files in relation to both matters have been physically transferred to the same court. In the mean time, the Westbury's solicitors have written to court for case management of the matters. The court has fixed on **26 August 2009** for further case management to enable plaintiff to file their bundle of documents.

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**

The Board does not recommend any interim dividend for the current financial period ended 30 June 2009.

13. **Earnings Per Share**

The basic earnings per share has been calculated based on the consolidated profit after taxation and minority interests of **RM10,054,904** (2008: **RM7,150,772)** and on the weighted average number of ordinary shares in issue during the year of **276,531,600** (2008: **276,531,600**).

The fully diluted earnings per share for the period has been calculated using an enlarged weighted average number of shares of **276,589,399** (2008:

276,923,257) after the inclusion of the number of unexercised options outstanding as at 30 June 2009 of **674,322** (2008**: 762,353)** 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.

	No. of Shares of RM0.50 each
Weighted average number of shares as at 30/06/2009	276,531,600
Add : Dilutive ESOS	57,799
Adjusted weighted average number of shares	276,589,399