

ANNOUNCEMENT

The Board of Directors of Ahmad Zaki Resources Berhad (“AZRB” or “the Company”) would like to announce the following unaudited consolidated results for the 3rd quarter ended 30 September 2012. This announcement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the quarterly condensed financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

RM	Note	2012 Current quarter ended 30 September	2011 Comparative quarter ended 30 September	2012 9 months cumulative to date	2011 9 months cumulative to date
REVENUE		174,013,651	132,190,991	514,012,148	392,609,634
OPERATING EXPENSES	1	(161,040,579)	(127,553,270)	(475,667,284)	(369,036,757)
OTHER OPERATING INCOME		1,205,127	403,911	2,365,755	3,553,735
PROFIT FROM OPERATIONS		14,178,199	5,041,632	40,710,619	27,126,612
FINANCE COSTS		(2,632,393)	(2,892,505)	(9,872,046)	(8,597,458)
INVESTING RESULTS	2	-	-	-	-
PROFIT BEFORE TAXATION		11,545,806	2,149,127	30,838,573	18,529,154
TAX EXPENSE		(4,995,200)	(1,766,032)	(12,907,293)	(9,114,394)
PROFIT FOR THE PERIOD	3	6,550,606	383,095	17,931,280	9,414,760
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Capital reserve		-	-	-	-
Foreign currency translation differences for foreign operations		(2,161,541)	3,047,558	(2,498,829)	3,469,014
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,389,065	3,430,653	15,432,451	12,883,774

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

RM	Note	2012 Current quarter ended 30 September	2011 Comparative quarter ended 30 September	2012 9 months cumulative to date	2011 9 months cumulative to date
PROFIT ATTRIBUTABLE TO :-					
OWNERS OF THE COMPANY		6,630,987	377,967	17,849,419	9,116,960
MINORITY INTEREST		(80,381)	5,128	81,861	297,800
PROFIT FOR THE PERIOD		6,550,606	383,095	17,931,280	9,414,760
COMPREHENSIVE INCOME ATTRIBUTABLE TO :-					
OWNERS OF THE COMPANY		4,484,578	3,416,083	15,390,211	12,576,532
MINORITY INTEREST		(95,513)	14,570	42,240	307,242
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,389,065	3,430,653	15,432,451	12,883,774

**EARNINGS PER SHARE (SEN)
 ATTRIBUTABLE TO OWNERS OF THE
 COMPANY:**

Basic (sen)	2.39	0.14	6.45	3.29
Diluted (sen)	NA	0.14	NA	3.29

Note 1 - Operating Expenses

Operating expenses represents the followings:-

Cost of sales	149,826,292	114,115,738	436,324,883	333,551,214
Other operating expenses	11,214,287	13,437,532	39,342,401	35,485,543
Total	161,040,579	127,553,270	475,667,284	369,036,757

Note 2 - Investing Results

Investing results represents the followings:-

Share of results from associated companies	-	-	-	-
Share of results from joint ventures	-	-	-	-
Total	-	-	-	-

Note 3 Profit is arrived at after charging/crediting the following items:

RM	2012 Current quarter ended 30 September	2011 Comparative quarter ended 30 September	2012 9 months cumulative to date	2011 9 months cumulative to date
a) Interest income	(610,920)	(815,150)	(1,420,031)	(1,955,564)
b) Other income including investment income	(594,207)	369,133	(945,724)	(1,598,171)
c) Interest expense	2,419,055	1,211,603	6,748,802	6,853,952
d) Depreciation and amortisation	2,516,031	2,094,189	7,500,118	6,475,028
e) Provision for and write off of receivables	-	-	26,733	-
f) Provision for and write off of inventories	-	-	-	-
g) (Gain) or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
h) Impairment of assets	-	-	-	-
i) Foreign exchange (gain) or loss	17,935	272,983	91,000	230,877

UNAUDITED CONDENSED CONSOLIDATED OF FINANCIAL POSITION

RM	Not Audited As at 30/09/2012	(Audited) As at 31/12/2011
Non-current assets		
Property, plant and equipment	74,125,023	64,655,721
Prepaid lease payment	9,317,402	9,904,474
Goodwill	3,744,605	3,744,605
Biological assets	124,115,923	120,766,265
Investment properties	18,500,000	18,500,000
Investments in associates	160,656	160,656
Interest in joint ventures	(288,352)	(288,352)
Other investments	115,500	115,500
Total non current assets	229,790,757	217,558,869
Current assets		
Inventories	10,101,289	9,951,810
Property development expenditure	9,617,390	6,279,038
Trade & other receivables	335,138,934	309,099,188
Tax assets	5,163,971	5,843,289
Cash & cash deposits	109,364,858	116,196,724
Total current assets	469,386,442	447,370,049
Total assets	699,177,199	664,928,918
Equity attributable to equity holders of the parent		
Share capital	138,471,096	138,381,722
Reserves and treasury shares	68,392,384	52,991,448
Total equity	206,863,480	191,373,170
Minority interest	5,753,975	5,903,135
Total equity and minority interest	212,617,455	197,276,305
Non-current liabilities		
Long-term borrowings	123,284,709	107,138,275
Deferred tax	10,671,585	8,014,475
Total non-current liabilities	133,956,294	115,152,750
Current liabilities		
Trade and other payables	293,610,478	301,087,583
Short term borrowings	31,873,716	26,210,085
Current portion of long-term borrowings	22,463,449	20,115,321
Tax liabilities	4,655,807	5,086,874
Dividend payable	-	-
Total current liabilities	352,603,450	352,499,863
Total liabilities	486,559,744	467,652,613
Total equity and liabilities	699,177,199	664,928,918

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Attributable to owners of the Company						Non- Controlling Interest	Total Equity	
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Capital Reserve	Retained Profits	Treasury Shares			Sub-total
RM									
9 months ended 30 September 2012									
Balance at the beginning of the year/period	138,381,722	13,910	1,165,886	-	52,837,439	(1,025,787)	191,373,170	5,903,135	197,276,305
Movements during the period									
Issue of option pursuant to ESOS	89,374	10,725	-	-	-	-	100,099	-	100,099
Dividend from subsidiary paid to minority interest								(191,400)	(191,400)
Total comprehensive income for the period	-	-	(2,459,208)	-	17,849,419	-	15,390,211	42,240	15,432,451
Balance at the end of the period	138,471,096	24,635	(1,293,322)	-	70,686,858	(1,025,787)	206,863,480	5,753,975	212,617,455

5

	Attributable to owners of the Company						Non- Controlling Interest	Total Equity	
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Capital Reserve	Retained Profits	Treasury Shares			Sub-total
9 months ended 30 September 2011									
Balance at the beginning of the year/period	138,347,702	9,828	(2,015,812)	-	46,139,259	(1,025,787)	181,455,190	5,154,711	186,609,901
Movements during the period									
Issue of option pursuant to ESOS	34,020	4,082	-	-	-	-	38,102	-	38,102
Purchase of own shares	-	-	-	-	-	-	-	-	-
First interim dividend 2011 in RM-2.5 sen per share less tax	-	-	-	-	(5,161,610)	-	(5,161,610)	-	(5,161,610)
Total comprehensive income for the period	-	-	421,456	-	9,116,960	-	9,538,416	307,242	9,845,658
Balance at the end of the period	138,381,722	13,910	(1,594,356)	-	50,094,609	(1,025,787)	185,870,098	5,461,953	191,332,051

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 September 2012 RM	9 months ended 30 September 2011 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	30,838,573	18,529,154
Adjustments for:-		
Amortisation of prepaid land lease payments	154,603	5,209
Amortisation of biological assets	4,069,500	-
Depreciation of property, plant & equipment	7,345,515	6,469,819
Bad debt written off	26,733	-
Interest expenses	6,748,802	6,853,952
Interest revenue	(1,420,031)	(1,955,564)
Gain on disposal of property, plant & equipment	(393,796)	(972,480)
Loss on foreign exchange -unrealised	91,000	230,877
Operating profit before working capital changes	47,460,899	29,160,967
Increase in inventories	(149,477)	(3,911,791)
Increase in in amount due from customers for contract work	(25,758,635)	(21,258,750)
Increase in property development expenditure	(3,338,351)	(2,039,813)
(Increase)/Decrease in trade and other receivables	(336,115)	8,815,236
Increase/(Decrease) in amount due to customers for contract work	2,076,126	(19,588,307)
(Decrease)/Increase in trade and other payables	(9,565,571)	9,891,090
Cash generated from operations	10,388,876	1,068,632
Tax paid	(9,899,474)	(11,774,963)
Interest paid	(6,457,673)	(8,175,092)
Net cash used in operating activities	(5,968,271)	(18,881,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
New planting expenditures incurred	(7,222,436)	(13,660,099)
Interest received	1,207,485	2,118,663
Purchase of property, plant & equipment	(14,113,499)	(9,554,848)
Proceeds from disposal of property, plant & equipment	458,831	3,097,585
Proceeds from disposal of investment in associated company	-	51,541,043
Net cash (used in)/generated from investing activities	(19,669,619)	33,542,344
BALANCE CARRIED FORWARD	(25,637,890)	14,660,921

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 September 2012 RM	9 months ended 30 September 2011 RM
BALANCE CARRIED DOWN	(25,637,890)	14,660,921
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to ultimate holding company	(81,459)	(99,199)
Repayment to related companies	(47,513)	(166,497)
Decrease/(Increase) in pledged fixed deposits	4,392,665	(13,217,089)
Dividend paid	(191,400)	(5,161,610)
Proceeds from issuance of shares	100,099	38,103
Proceeds from trust receipts/murabahah	16,186,789	12,538,698
Repayment of trust receipts/murabahah	(22,090,397)	(27,608,181)
Payment for finance lease liabilities	(4,254,261)	(5,241,293)
Term loan drawdown	27,934,868	110,959,999
Term loan repayment	(8,448,273)	(100,830,720)
Net cash generated from/(used in) financing activities	13,501,118	(28,787,789)
Effects of exchange difference on cash & cash equivalents	(1,869,669)	2,697,425
Net decrease in cash and cash equivalents	(12,136,772)	(14,126,868)
Cash and cash equivalents at beginning of the year/period	35,290,862	53,093,014
Cash and cash equivalents at end of the period	21,284,421	41,663,571
Cash and cash equivalents included in the condensed cash flows statements comprise the following amounts :-		
Cash and bank balances	36,409,105	27,858,323
Cash deposits with licensed banks	72,955,753	98,873,196
Bank overdrafts	(26,287,657)	(11,431,473)
Less: Pledged fixed deposits	(61,792,780)	(73,636,475)
	21,284,421	41,663,571

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2011.

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134, PARA 16

1. ACCOUNTING POLICIES

The interim financial statements has been prepared in accordance with Financial Reporting Standards (FRS) 134 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 2011 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 2011.

2. CHANGES IN ACCOUNTING POLICIES

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 2011 audited financial statements as well as those mandatory new/revised standards that take effects on annual financial period commencing on and after 1 January 2012.

The adoption of the any new/revised standards or interpretations is not expected to have any significant impact on the results and financial position of the Group and the Company.

3. STATUS OF FINANCIAL STATEMENTS QUALIFICATION

The auditors' report on preceding audited financial statements for the year ended 31 December 2011 was not subject to any qualification.

4. REVIEW OF SEASONALITY OR CYCLICALITY OF OPERATIONS

The divisions are not significantly affected by any seasonal or cyclical factors.

5. ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS THAT ARE UNUSUAL TO THE NATURE, SIZE OR INCIDENCE

There were no unusual items due to the nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows for the financial quarter ended 30 September 2012.

6. CHANGES IN ESTIMATES REPORTED IN PRIOR FINANCIAL YEAR

There was no material changes in estimates of amounts reported in prior financial years which have a material effect on the current quarter.

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134, PARA 16

7. CHANGES IN EQUITY/DEBT SECURITIES

a) Employee Share Option Scheme (ESOS)

A total of 178,747 AZRB Shares were issued under the AZRB Employees' Share Option Scheme at the option price of RM0.56 per share during the financial year to-date.

b) Treasury Shares

There was no sharebuyback exercise during the financial quarter under review. The total treasury shares as at 30 September 2012 comprise of 1,478,100 units at RM1,025,787.

Other than the above ESOS there were no issuance, cancellation, resale of treasury shares and repayment of debt and equity securities by the Company during the current quarter and financial year-to-date.

8. DIVIDENDS PAID

No dividend was paid during the financial quarter under review.

9. 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	Plantation	Other operations	Eliminations	Consolidated
30-Sep-12	RM	RM	RM	RM	RM	RM
REVENUE						
External revenue	451,762,632	55,538,086	1,622,395	5,089,035	-	514,012,148
Inter – segment revenue	-	13,254,610	-	-	(13,254,610)	-
Total revenue	451,762,632	68,792,696	1,622,395	5,089,035	(13,254,610)	514,012,148
RESULT						
Segment results	36,335,149	15,746,876	(9,340,346)	(11,903,106)	-	30,838,573
Interest revenue	1,137,259	162,537	1,490	118,745	-	1,420,031
Interest expenses	(3,083,408)	(53,641)	-	(3,611,753)	-	(6,748,802)
Share of results in joint ventures	-	-	-	-	-	-
Share of results in associated co.	-	-	-	-	-	-
Non cash expenses Note (i)	(90,977)	(26,733)	(4,218,894)	(5,232)	-	(4,341,836)
Depreciation	(5,244,542)	(706,168)	(779,793)	(615,012)	-	(7,345,515)

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134, PARA 16

9 SEGMENT REPORTING (continued)

	Construction	Trading in oil and gas & other related services	Plantation	Other operations	Eliminations	Consolidated
30-Sep-11	RM	RM	RM	RM	RM	RM
REVENUE						
External revenue	349,841,907	39,524,600	-	3,243,127	-	392,609,634
Inter – segment revenue	-	18,896,277	-	-	(18,896,277)	-
Total revenue	349,841,907	58,420,877	-	3,243,127	(18,896,277)	392,609,634
RESULT						
Segment results	14,736,516	16,001,500	-	(12,208,862)	-	18,529,154
Interest revenue	1,457,626	213,109	-	284,829	-	1,955,564
Interest expenses	(1,059,385)	(36,978)	-	(5,757,589)	-	(6,853,952)
Non cash expenses Note (i)	(237,368)	-	-	(5,592)	-	(242,960)
Depreciation	(5,299,981)	(546,264)	-	(623,574)	-	(6,469,819)

Note (i) : Non cash expenses

	Group	
	2012 RM	2011 RM
Amortisation of planting expenditures	4,069,500	-
Amortisation of prepaid land lease payment	154,603	5,209
Loss on foreign exchange -unrealised	91,000	230,877
Bad debt written off	26,733	-
Property , plant and equipment written off	-	6,874
	4,341,836	242,960
	-	-

10. 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.

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134, PARA 16

11. SUBSEQUENT EVENTS

There was no material event subsequent to the end of the current quarter up to 27 November 2012 (being the latest practicable date from the date of issuance of the 3rd Quarter Report) that have not been reflected in the financial statements for the current quarter and financial year-to-date.

12. 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 the following:

- a) On 25 October 2012, AZRB acquired one (1) share of RM1 representing 50% of the issued and paid-up share capital of Temala Development Sdn Bhd (“Temala Development”) for a cash consideration of RM1 only (“the acquisition”). Subsequently, AZRB has subscribed RM349,999 new shares divided into 349,999 ordinary shares of RM1 each in Temala Development. Following the subscription of the new shares, Temala Development will be a 70% subsidiary of AZRB.
- b) On 8 November 2012, AZRB acquired one (1) share of RM1 representing 50% of the issued and paid-up share capital of Betanaz Properties Sdn Bhd (“Betanaz Properties”) for a cash consideration of RM1 only (“the Acquisition”). Subsequently, AZRB has subscribed RM509 new shares divided into 509 ordinary shares of RM1 each in Betanaz Properties. Following the subscription of the new shares, Betanaz Properties will be a 51% subsidiary of AZRB.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group do not have material contingent liabilities as at 27 November 2012 (being the latest practicable date from the date of issuance of the 3rd Quarter Report) save as disclosed in item Part B item 11 below.

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134, PARA 16

14. SIGNIFICANT RELATED PARTY'S TRANSACTION

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

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

	2012 9 months cumulative to date	2011 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	16,401,024	22,390,169
- Chuan Huat Hardware Sdn Bhd	381,777	115,793
Purchases from following companies, companies in which Dato' Sri Haji Wan Zaki bin Haji Wan Muda has substantial financial interest and is also a director		
- QMC Sdn Bhd	640,946	1,058,259
- Kemaman Quarry Sdn Bhd	892,541	570,402
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	90,000	90,000
Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd	652,035	642,944
Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd	35,719	5,155
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	27,000	27,000

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

1. REVIEW OF PERFORMANCE

Supported by its strong order book and progress work during the quarter, the Group continue to show improved results by achieving a revenue of **RM 514 million** and profit before tax of **RM31 million** for the period ended 30 September 2012. Its revenue grew by 30% or **RM121 million** while profit before tax improved by 67% or **RM12 million** on year to year basis. Its construction division performed well in its year to date performance by contributing a total of **RM452 million** in revenue representing an increase of **RM102 million** than preceding year's period. Its profit before tax also increased by **RM22 million**. Meanwhile, its plantation division continues to post operating losses of **RM9.3 million**. Its plantation division is expected to reduce its operating loss gradually due to increasing yield per hectare in the medium term.

Overall, the order book for its construction division stood at **RM2,284 million** mainly comprising Design and Build Complex Kerja Raya 2 at Jalan Sultan Salahuddin, KL (**RM132 million**), Lebuhraya Pantai Timur ("LPT") Package 5A (**RM22 million**), University Darul Imam Package 3 Building works (**RM92 million**), Maternity Hospital Terengganu (**RM19 million**), Rectification works at Dataran Putra Precint 1, Putrajaya (**RM2 million**), The Proposed Construction and Completion of Waterfront Shop Office and External Works on Plot 8C1, Precint 8, Putrajaya, Wilayah Persekutuan (**RM6 million**), The Construction & Completion Of Earthworks & Infrastructure Works For Phase 1a & 1b at Kertih Polymer Park In Lot Q, Kertih (**RM16 million**), Earthworks for Phase 2 at Kertih in Lot Q, Kertih (**RM4 million**), The Construction and Completion of 1002 Units of Flats in Three (3) Blocks Of 17 Storeys And Related Works For The Public Housing Program at Padang Hiliran, Chabang Tiga, Kuala Terengganu, Terengganu Darul Iman (**RM60 million**), Completion of the Remaining Works of Lebuhraya Pantai Timur Project, Phase 2, Terengganu [Package 2: From CH15100.00 to CH26100.00] (**RM125 million**) and Proposed Development of International Islamic University Malaysia Teaching Hospital in Kuantan ("UIAH"), Pahang through Private Finance Initiative (**RM383 million**) , Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Kajang" for the Package V6: Construction and Completion of Viaduct Guideway and Other Associated Works from Plaza Phoenix to Bandar Tun Hussein Onn Station (**RM750 million**) ("MRTV6") Upgrading existing 35 storey office blocks and reconstruction of new 56 storey hotel tower at Lot 1194, Jalan Sultan Ismail, Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan Untuk Tetuan Permodalan Nasional Berhad (**RM673 million**) .

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

2. REVIEW OF MATERIAL CHANGES BETWEEN CURRENT QUARTER AND PRECEDING QUARTER

	Current Qtr RM	Preceding Qtr RM	+ /(-) RM
Revenue	174,014	194,038	(20,024)
Profit before tax	11,546	10,142	1,404

On a quarter to quarter basis, there was lower progress from the construction division due to the completion of some projects whilst others such as MRTV6 and UIAH are still at an early stage of construction which generally has a lower rate of progress resulting in a lower revenue reported for the quarter.

3. PROSPECTS

The Group's construction division is expected to remain competitive in the current financial year. Order book prospects remain strong. The oil and gas division is expected to maintain its performance as there are no expected changes in business environment. The plantation division will improve progressively over the years as the trees mature. As a result of the above factors, barring any unforeseen circumstances, the Group expects to show reasonable performance in the coming quarters.

4. VARIATION OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT GUARANTEE

Not applicable.

5. TAXATION

Taxation comprises :

	Current Qtr 30.09.2012 RM	Cumulative Current YTD 30.09.2012 RM
Based on results for the period	3,393,205	9,950,593
Origination of temporary differences	1,219,511	2,574,216
	<hr/> 4,612,716	<hr/> 12,524,809
Under provision in prior years	382,484	382,484
Based on results for the period	<hr/> 4,995,200	<hr/> 12,907,293

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

5. TAXATION (continued)

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 30.09.2012 RM	Cumulative Current YTD 30.09.2012 RM
Accounting profits before taxation	11,545,807	30,838,574
Tax at the statutory income tax rate of 25%	2,886,452	7,709,644
- Non deductible expenses	1,726,264	4,815,165
- Under provision - income tax	382,484	382,484
Tax Expense	4,995,200	12,907,293

Deferred Tax Liabilites Movement :

	Current Qtr 30.09.2012 RM	Cumulative Current YTD 30.09.2012 RM
At beginning of the period	9,351,561	8,014,475
Transfer to income statement	1,219,511	2,574,216
Translation differences	94,157	76,538
At end of the period	10,665,229	10,665,229

6. CORPORATE PROPOSALS

There are no corporate proposals which have been announced by the Company but not completed as at 27 November 2012 (being the latest practicable date from the date of issuance of the 3rd Quarter Report).

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

7. GROUP BORROWINGS AND DEBTS SECURITIES

The Group borrowings as at 30 September 2012 are as follows:

Secured	Short Term RM'000	Long Term RM'000	Total RM'000
Bank Overdrafts	26,288	-	26,288
Trust Receipts	5,586	-	5,586
Term Loans	17,746	114,656	132,402
Hire Purchase	4,717	8,629	13,346
Total	54,337	123,285	177,622

The Group does not have any foreign loans as at 30 September 2012.

8. 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 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.

The case is now fixed for the following:

- (a) Mention on **19 November 2012** for parties to file and exchange Witness Statement; and
- (b) Trial on **28 to 30 November 2012**.

PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B

8. MATERIAL LITIGATION (continued)

(i) **Tenaga Nasional Berhad (TNB) vs Ahmad Zaki Resources Berhad (Cont'd)**

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.

In respect of the above, Signage has withdrawn the matter against AZRB and MPSJ on **12 October 2012** and as such the matter has been struck out accordingly.

(iii) **Sime Engineering Sdn Bhd (“SESB”) vs Ahmad Zaki Resources Berhad**

On 13 October 2010 SESB served a Writ and Statement of Claim dated 12 October 2010 on AZRB, claiming a sum of RM15, 246,000 for alleged breaches by AZRB of the Malaysia-China Hydro Joint Venture Agreement dated 12 June 2002 relating to the Bakun Hydroelectric Project Package CW2 - Main Civil Works.

AZRB had filed its Defence at the Kuala Lumpur High Court on 2 December 2010 and also instituted a Counterclaim against Sime Engineering and members of the Malaysia-China Hydro Joint Venture (“MCH JV”) Executive Committee (“Exco”) namely Sinohydro Corporation (formerly known as China Water Resources, and Hydropower Engineering Company) (“Sinohydro”) and WCT Berhad (“WCT”) for the sum of RM58,000,600 as special damages (“AZRB Counterclaim”).

PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B

8. MATERIAL LITIGATION (continued)

(iii) **Sime Engineering Sdn Bhd (“SESB”) vs Ahmad Zaki Resources Berhad (Cont’d)**

On 19 January 2011, AZRB filed an application to strike out SESB’s Writ and Statement of Claim which was dismissed by the High Court on 17 August 2011. However, on 5 January 2012, the Court of Appeal has allowed AZRB’s appeal against the decision of the High Court on 17 August 2011 in dismissing AZRB’s striking out application of SESB’s Writ and Statement of Claim. SESB have filed their Notice of Motion for leave to appeal in the Federal Court against the decision of the Court of Appeal on 3 February 2012 and the matter is now fixed for further case management on **16 January 2013**, pending the availability of the grounds of judgment from the Court of Appeal.

With regards to AZRB Counterclaim, all parties are undergoing the process of discovery of documents.

AZRB’s counterclaim at the Kuala Lumpur High Court is now fixed for further case management on **8 March 2013**.

AZRB, in consultation with its solicitors, is of the view that AZRB has a valid case against SESB and the MCH JV Exco in its counterclaim.

(iv) **Arbitration on Alfaisal University project**

On 3 March 2011, the Company filed its arbitration notice with the ICC International Court of Arbitration seeking various reliefs and claims including the bonds liquidated by King Faisal Foundation in respect of the contract entered into by Al-Faisal University and the Company pertaining to Al-Faisal University Campus Development Project Phase 1 & 2 in Riyadh, Saudi Arabia. AZRB has filed its statement of claim in respect of the final relief on 18 January 2012.

The hearing was held on 27 May 2012. The award is tentatively expected to be issued in **December 2012**.

9. DIVIDEND

The Board did not recommend any dividend for the financial period ended 30 September 2012.

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
 LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**
10. EARNINGS PER SHARE

The basic earnings per share was calculated based on the consolidated profit after taxation and minority interests over the weighted average number of ordinary shares in issue during the period as set out below:

	Current Quarter ended 30/09/2012	Current Quarter ended 30/09/2011	Cumulative Quarters ended 30/09/2012	Cumulative Quarters ended 30/09/2011
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	6,630,987	377,967	17,849,419	9,116,960
Basic				
a) Weighted average number of ordinary shares in issue	276,880,222	276,763,442	276,880,222	276,763,442
Diluted				
b) Weighted average number of ordinary shares in issue	276,880,222	276,763,442	276,835,122	276,763,442
Effects of dilution resulting from ESOS	-	175,133	-	175,133
Adjusted weighted average number of ordinary shares in issue and issuable	276,880,222	276,938,575	276,835,122	276,938,575

No dilution effect for the current financial period as there is no more outstanding option arising from ESOS. The ESOS expired on 25 July 2012.

The share options for preceding year's period was 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. The effect from dilution of ESOS for the preceding year's financial period is for unexercised outstanding options of 462,607 shares.

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

**11. STATEMENT ON REALISED AND UNREALISED RETAINED PROFITS
DISCLOSURE**

	Current financial Quarter ended 30.09.2012	As at the end of last financial year
	RM'000	RM'000
Total retained profits of Ahmad Zaki Resources Berhad and its subsidiaries		
- Realised	107,113	86,493
- Unrealised	(1,314)	1,442
	105,799	87,935
Total share of retained profits from associated companies		
- Realised	50	50
- Unrealised	-	-
	50	50
Total share of retained profits from jointly controlled companies		
- Realised	(288)	(288)
- Unrealised	-	-
	(288)	(288)
Less : Consolidated adjustments	(34,874)	(34,860)
Total Group retained profits as per consolidated accounts	70,687	52,837