

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 4th Quarter and year ended 31 December 2014. This announcement should be read in conjunction with the audited annual financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the quarterly condensed financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 Current quarter ended 31 Dec	2013 Comparative quarter ended 31 Dec	2014 12 months cumulative to date	2013 12 months cumulative to date
RM	Note				
REVENUE		159,348,426	129,756,326	655,551,594	594,233,380
OPERATING EXPENSES	1	(149,072,136)	(115,475,467)	(616,112,956)	(562,433,420)
OTHER OPERATING INCOME		2,194,945	1,900,760	8,327,655	7,032,500
PROFIT FROM OPERATIONS		12,471,235	16,181,619	47,766,293	38,832,460
FINANCE COSTS		(5,096,356)	(4,153,425)	(21,823,844)	(14,370,137)
INVESTING RESULTS	2	-	1,770	151,270	1,770
PROFIT BEFORE TAXATION		7,374,879	12,029,964	26,093,719	24,464,093
TAX EXPENSE		(5,139,691)	(11,631,704)	(14,562,487)	(19,060,885)
PROFIT FOR THE YEAR	3	2,235,188	398,260	11,531,232	5,403,208
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Actuarial gain from employee benefits		-	211,561	-	211,561
Foreign currency translation differences for foreign operations		(481,055)	1,116,245	(154,465)	4,901,134
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,754,133	1,726,066	11,376,767	10,515,903

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013	2014	2013
		Current	Comparative	12 months	12 months
		quarter ended	quarter ended	cumulative	cumulative
RM	Note	31 Dec	31 Dec	to date	to date
PROFIT ATTRIBUTABLE TO :-					
OWNERS OF THE COMPANY		2,730,332	339,282	12,709,808	5,525,874
NON-CONTROLLING INTERESTS		(495,144)	58,978	(1,178,576)	(122,666)
PROFIT FOR THE YEAR		2,235,188	398,260	11,531,232	5,403,208
COMPREHENSIVE INCOME ATTRIBUTABLE TO :-					
OWNERS OF THE COMPANY		2,337,331	1,596,818	12,629,702	10,515,762
NON-CONTROLLING INTERESTS		(583,198)	129,248	(1,252,935)	141
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,754,133	1,726,066	11,376,767	10,515,903
EARNINGS PER SHARE (SEN) ATTRIBUTABLE TO OWNERS OF THE COMPANY:					
Basic (sen)		0.67	0.12	3.12	2.00
Diluted (sen)		0.67	NA	3.11	NA
Note 1 - Operating Expenses					
Operating expenses represents the followings:-					
Cost of sales		120,085,588	96,607,286	540,885,527	491,347,870
Other operating expenses		28,986,548	18,868,181	75,227,429	71,085,550
Total		149,072,136	115,475,467	616,112,956	562,433,420
Note 2 - Investing Results					
Investing results represents the followings:-					
Share of results from associated companies		-	-	-	-
Share of results from joint ventures		-	-	151,270	-
Total		-	-	151,270	-

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

		2014	2013	2014	2013
		Current	Comparative	12 months	12 months
		quarter ended	quarter ended	cumulative	cumulative
	RM	31 Dec	31 Dec	to date	to date
a)	Interest income	(864,860)	(611,125)	(3,456,175)	(2,551,203)
b)	Other income including investment income	(1,330,086)	(1,289,635)	(4,871,480)	(4,481,297)
c)	Interest expense	5,143,030	3,992,073	20,735,221	13,221,707
d)	Depreciation and amortisation	1,488,361	9,309,697	13,887,625	19,038,894
e)	Provision for and write off of receivable	1,000,000	6,129,245	1,002,845	11,980,978
f)	Provision for and write off of intangible asse	-	2,484,611	-	2,484,611
h)	Foreign exchange (gain) or loss	(1,252,784)	2,049,131	(470,260)	2,945,698

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

RM	(Not Audited)	(Audited)
	As at 31/12/2014	As at 31/12/2013
Non-current assets		
Property, plant and equipment	96,252,224	80,897,559
Prepaid lease payment	8,045,683	8,398,951
Land held for development	8,958,539	8,958,539
Biological assets	125,030,051	123,251,574
Investment property	-	18,000,000
Goodwill	6,158,155	3,747,557
Intangible assets	16,409,759	2,796,085
Investments in associates	160,885	160,885
Interest in joint ventures	226,917	(254,352)
Available-for-sale investments	115,500	115,500
Deferred tax assets	26,380,168	10,911,561
Trade receivable-Long term	87,591,176	11,573,208
Total non current assets	375,329,057	268,557,067
Current assets		
Inventories	9,533,664	12,314,854
Property development costs	15,585,532	11,994,798
Trade & other receivables	653,433,588	450,548,485
Current tax assets	6,249,600	4,771,079
Cash & cash deposits	131,928,292	102,840,044
Total current assets	816,730,676	582,469,260
Total assets	1,192,059,733	851,026,327
Equity attributable to equity holders of the parent		
Share capital	120,885,064	138,471,095
Reserves and treasury shares	207,236,714	75,616,563
Total equity	328,121,778	214,087,658
Minority interest	4,073,740	5,326,675
Total equity and minority interest	332,195,518	219,414,333
Non-current liabilities		
Long-term borrowings	403,577,226	230,155,175
Retirement benefits	1,600,689	1,294,851
Deferred tax	48,186,901	23,663,382
Total non-current liabilities	453,364,816	255,113,408
Current liabilities		
Short term borrowings	61,768,233	40,688,271
Current portion of long-term borrowings	19,657,135	20,036,474
Trade and other payables	320,759,037	304,451,913
Current tax liabilities	4,314,994	11,321,928
Total current liabilities	406,499,399	376,498,586
Total liabilities	859,864,215	631,611,994
Total equity and liabilities	1,192,059,733	851,026,327

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

RM'	Attributable to owners of the Company							Sub-total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Warrant Reserve	Capital Reserve	Retained Profits	Treasury Shares			
Year ended 31 December 2014										
Balance at the beginning of the year	138,471,095	24,636	3,506,815	-	-	73,110,899	(1,025,787)	214,087,658	5,326,675	219,414,333
Movements during the period										
Profit for the year	-	-	-	-	-	12,709,808	-	12,709,808	(1,178,576)	11,531,232
Foreign currency translation differences for foreign operations	-	-	(80,106)	-	-	-	-	(80,106)	(74,359)	(154,465)
Total comprehensive income for the year	-	-	(80,106)	-	-	12,709,808	-	12,629,702	(1,252,935)	11,376,767
Changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-
Dividend payable by subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with non controlling interests	-	-	-	-	-	-	-	-	-	-
Par value reduction	(69,235,547)	-	-	-	7,667,034	61,568,513	-	-	-	-
Right issue with free warrants	51,649,516	23,758,778	-	27,890,739	-	-	-	103,299,033	-	103,299,033
Dividend to owner of the Company	-	-	-	-	-	-	-	-	-	-
Right issue expenses	-	(1,894,614)	-	-	-	-	-	(1,894,614)	-	(1,894,614)
Total transactions with owners of the Company	(17,586,031)	21,864,164	-	27,890,739	7,667,034	61,568,513	-	101,404,419	-	101,404,419
Balance at the end of the year	120,885,064	21,888,800	3,426,709	27,890,739	7,667,034	147,389,220	(1,025,787)	328,121,779	4,073,740	332,195,519
Year ended 31 December 2013										
Balance at the beginning of the year	138,471,095	24,636	(1,282,090)	-	-	71,516,003	(1,025,787)	207,703,857	5,345,872	213,049,729
Movements during the year										
Profit for the year	-	-	-	-	-	5,525,874	-	5,525,874	(122,666)	5,403,208
Actuarial gain from employee benefits	-	-	-	-	-	200,983	-	200,983	10,578	211,561
Foreign currency translation differences for foreign operations	-	-	4,788,905	-	-	-	-	4,788,905	112,229	4,901,134
Total comprehensive income for the year	-	-	4,788,905	-	-	5,726,857	-	10,515,762	141	10,515,903
Changes in ownership interest in subsidiary	-	-	-	-	-	-	-	-	172,062	172,062
Dividend payable by subsidiary	-	-	-	-	-	-	-	-	(191,400)	(191,400)
Total transactions with non controlling interests	-	-	-	-	-	-	-	-	(19,338)	(19,338)
Dividend to owner of the Company	-	-	-	-	-	(4,131,961)	-	(4,131,961)	-	(4,131,961)
Total transactions with owners of the Company	-	-	-	-	-	(4,131,961)	-	(4,131,961)	-	(4,131,961)
Balance at the end of the year	138,471,095	24,636	3,506,815	-	-	73,110,899	(1,025,787)	214,087,658	5,326,675	219,414,333

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	12 months ended 31 December 2014 RM	12 months ended 31 December 2013 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,093,719	24,464,093
Adjustments for:-		
Amortisation of prepaid land lease payments	436,406	445,616
Amortisation of biological assets	4,650,677	8,566,761
Depreciation of property, plant & equipment	8,680,444	9,904,692
Provision for and write off of receivable	1,002,845	11,980,978
Amortisation of transaction costs	120,098	121,825
Interest expenses	20,735,221	13,221,707
Interest revenue	(3,456,175)	(2,551,203)
Gain on disposal of property, plant & equipment	(288,540)	(1,283,942)
Property, plant & equipment written off	28	6
Employee benefits	213,835	1,784,233
Gain on disposal of investment in associated company	-	-
Intangible assets written off	-	2,484,611
(Gain)/Loss on foreign exchange -unrealised	(470,260)	2,945,698
Negative goodwill recognised	-	(608,245)
Share of results in joint ventures	(151,270)	-
Share of results of associated companies	-	(1,770)
Operating profit before working capital changes	57,567,028	71,475,060
Increase in inventories	2,823,530	2,340,107
Increase in amount due from customers for contract work	(268,271,241)	(83,317,692)
Increase in property development expenditure	(3,590,734)	(3,171,175)
Increase in intangible	(13,613,674)	(278,150)
Increase in trade and other receivables	(6,448,750)	(52,467,446)
Decrease in amount due to customers for contract work	(17,747,458)	(1,855,583)
Increase in trade and other payables	32,326,021	497,029
Cash used in operations	(216,955,278)	(66,777,850)
Tax paid	(13,680,076)	(15,692,535)
Interest received	2,837,801	1,956,506
Interest paid	(20,107,958)	(12,532,507)
Net cash used in operating activities	(247,905,511)	(93,046,386)
CASH FLOWS FROM INVESTING ACTIVITIES		
New planting expenditures incurred	(6,813,990)	(4,597,491)
Purchase of land held for development	-	(301,106)
Effect of acquisition of subsidiaries, net of cash received	(41,975)	30,498
Purchase of property, plant & equipment	(3,381,919)	(1,891,587)
Proceeds from disposal of property, plant & equipment	356,696	1,384,747
Investment in joint controlled entity	(330,000)	(34,000)
Net cash used in investing activities	(10,211,188)	(5,408,939)
BALANCE CARRIED FORWARD	(258,116,699)	(98,455,325)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	12 months ended 31 December 2014 RM	12 months ended 31 December 2013 RM
BALANCE CARRIED DOWN	(258,116,699)	(98,455,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to ultimate holding company	(4,572,458)	(127,724)
Repayment to related companies	126,297	(449,942)
Advance to joint controlled entity	(2,700,000)	-
Decrease in pledged fixed deposits	36,075,320	18,206,682
Dividend paid	-	(4,131,961)
Proceeds from issuance of shares	101,404,419	-
Proceeds from trust receipts/revolving credits	34,914,350	36,089,518
Repayment of trust receipts/revolving credits	(17,352,207)	(13,378,296)
Payment for finance lease liabilities	(4,002,890)	(4,966,149)
Term loan drawdown	186,986,951	117,119,604
Term loan repayment	(15,173,014)	(30,463,346)
Net cash generated from financing activities	315,706,768	117,898,386
Effects of exchange difference on cash & cash equivalents	4,055,680	5,249,260
Net decrease in cash and cash equivalents	57,590,069	19,443,061
Cash and cash equivalents at beginning of the year	40,639,274	15,946,953
Cash and cash equivalents at end of the year	102,285,023	40,639,274
Cash and cash equivalents included in the condensed cash flows statements comprise the following amounts :-		
Cash and bank balances	84,899,737	39,347,347
Cash deposits with licensed banks	47,028,555	63,492,697
Bank overdrafts	(21,081,888)	(17,564,069)
Less: Pledged fixed deposits	(8,561,381)	(44,636,701)
	102,285,023	40,639,274

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 2013 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 2013.

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 2013 audited financial statements as well as those mandatory new/revised standards that take effects on annual financial period commencing on and after 1 January 2014.

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 2013 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 31 December 2014.

6. CHANGES IN ESTIMATES REPORTED IN PRIOR FINANCIAL PERIOD

There was no material changes in estimates of amounts reported in prior financial periods 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

Corporate Proposals

For the financial year to date, the Company has completed the following exercises pertaining to its equity shares:

- (i) cancellation of RM0.25 of its par value of each existing ordinary share of RM0.50 each in AZRB (“Proposed Par Value Reduction”);
- (ii) a total issue of 206,598,066 new ordinary shares of RM0.25 each (“Rights Shares”) together with 103,853,320 free detachable warrants (“Warrants”) at an exercise price of RM0.70 each in the Company pursuant its Rights issue exercise on the basis of six (6) Rights Shares together with three (3) free Warrants for every eight (8) existing AZRB Shares held after the Proposed Par Value Reduction (“Proposed Rights Issue With Warrants”). The Rights Shares and Warrants were listed on the Main Market of Bursa Malaysia on 16 May 2014.

Treasury Shares

There was no share buyback exercise during the financial quarter under review. The total treasury shares as at 31 December 2014 comprise 1,478,100 units at RM1,025,787.

Other than the above, 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 for the period under review .

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

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
31-Dec-14	RM	RM	RM	RM	RM	RM
REVENUE						
External revenue	607,391,789	45,623,576	5,381,270	(2,845,041)	-	655,551,594
Inter – segment revenue	-	5,340,325	-	6,920,000	(12,260,325)	-
Total revenue	607,391,789	50,963,901	5,381,270	4,074,959	(12,260,325)	655,551,594
RESULT						
Segment results	63,145,558	14,337,275	(33,114,157)	(11,068,190)	(7,206,767)	26,093,719
Interest income	2,119,283	113,799	10,397	1,212,696	-	3,456,175
Interest expenses	(14,609,336)	(53,007)	(2,079,026)	(3,993,852)	-	(20,735,221)
Share of results in joint ventures	151,270	-	-	-	-	151,270
Non cash expenses Note (i)	-	(28)	(5,200,234)	(1,009,792)	-	(6,210,054)
Depreciation	(5,905,413)	(1,001,520)	(736,013)	(1,037,498)	-	(8,680,444)
31-Dec-13	RM	RM	RM	RM	RM	RM
REVENUE						
External revenue	523,828,255	53,726,884	4,076,852	12,601,389	-	594,233,380
Inter – segment revenue	-	8,704,325	-	5,510,000	(14,214,325)	-
Total revenue	523,828,255	62,431,209	4,076,852	18,111,389	(14,214,325)	594,233,380
RESULT						
Segment results	49,100,454	20,175,034	(27,094,599)	(9,399,990)	(8,316,806)	24,464,093
Interest income	2,365,276	87,652	3,288	94,987	-	2,551,203
Interest expenses	(8,045,515)	(71,512)	(632,674)	(4,472,006)	-	(13,221,707)
Share of results in associated co.	1,770				-	1,770
Non cash expenses Note (i)	(11,609,605)	(3,776)	(12,699,582)	(3,537,596)	3,911,500	(23,939,059)
Depreciation	(7,068,311)	(1,026,632)	(908,352)	(901,397)	-	(9,904,692)

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

9. SEGMENT REPORTING (continued)

Note (i) : Non cash expenses	Group	
	2014	2013
	RM	RM
Amortisation of planting expenditures	4,650,677	8,566,761
Amortisation of prepaid land lease payments	436,406	445,616
Amortisation of transaction costs	120,098	-
Loss on foreign exchange -unrealised	-	2,945,698
Provision for and write off of receivable	1,002,845	11,980,978
Property , plant and equipment written off	28	6
	6,210,054	23,939,059

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.

11. SUBSEQUENT EVENTS

There was no material event subsequent to the end of the current quarter up to 27 February 2015 (being the latest practicable date from the date of issuance of the 4th Quarter Report) that have not been reflected in the financial statements for the current quarter and financial year-to-date except for the following:

- a) On 20 January 2015, Trend Vista Development Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the proposed acquisition of a piece of freehold land in Kuantan, Pahang Darul Makmur measuring approximately 6.25 acres from Zaki Holdings (M) Sdn Bhd for a total purchase consideration of RM4,640,193.
- b) On 21 January 2015, Astral Far East Sdn Bhd (“AFE”), a wholly-owned subsidiary of Inter-Century Sdn Bhd, which in turn is a wholly-owned subsidiary of AZRB entered into a Sub-Lease and Throughput Agreement with TB Supply Base Sdn Bhd and TB Realty Sdn Bhd (jointly referred to as “the Sub-Lessors”) for granting to AFE, a sub-lease of parcels of land at Kg Tok Bali, Mukim Semarak, Pasir Puteh, Kelantan (“the Demised Premises”) together with fuel and water bunkering facilities to be erected on the Demised Premises and the supply base from time to time (“the Facilities”) a period of 32 years, commencing from 2 January 2015 to 1 January 2047. Under the Agreement, AFE will be allowed to undertake bunkering activities and to deliver or sell marine oil and potable water through or from the supply base during the entire duration of the lease.

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

11. SUBSEQUENT EVENTS (continued)

- c) On 12 February 2015, the Company's wholly owned subsidiary EKVE Sdn Bhd ("EKVE") received a letter from the Government of Malaysia as represented by the Ministry of Works, confirming that EKVE has met all conditions precedent as set out in the Concession Agreement. In this respect, the Government has confirmed the Effective Date for the Concession of the East Klang Valley Expressway ("Expressway") to be on 12 February 2015. With this confirmation, EKVE will commence physical works on the Expressway with immediate effect.

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 for the following :

(i) Acquisition of Residence Inn & Motel Sdn Bhd ("RIM")

On 25 February 2014, the Company entered into a Sale of Shares Agreement with Zaki Holdings (M) Sdn Bhd ("ZHSB") to acquire 100% or 750,000 ordinary shares of RM1.00 each in RIM held by ZHSB for a cash consideration of RM1.0 million . RIM has an authorised share capital of RM1,000,000 and a paid-up share capital of RM750,000. The acquisition will result in RIM becoming a wholly-owned subsidiary of AZRB. RIM's principal activities are managing a Hotel, Resort, and Chalet chain and all activities related to the tourism industry. The acquisition was completed in July 2014.

(ii) Incorporation of jointly controlled entity, Salcon MMCB AZSB JV Sdn Bhd

On 17 April 2014, the Group formed a jointly controlled entity with Salcon Berhad and MMC Corporation Berhad, namely Salcon MMCB AZSB JV Sdn Bhd to undertake the proposed development of Langat 2 Water Treatment Plant and Water Reticulation System in Selangor Darul Ehsan/Wilayah Persekutuan Kuala Lumpur (Langat 2 WTP and Water Reticulation – Phase 1) and Package 2A – Construction and Completion of 1130 MLD Langat 2 Water Treatment Plant for a total value of RM993.9 million. Salcon MMCB AZSB JV Sdn Bhd is a jointly controlled entity of Salcon Engineering Berhad (36%), a wholly-owned subsidiary of Salcon Berhad, MMC Corporation Berhad (34%) and Ahmad Zaki Sdn Bhd (30%), a wholly-owned subsidiary of AZRB.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any material contingent liabilities as at 27 February 2015 (being the latest practicable date from the date of issuance of the 4th Quarter Report) save as disclosed in Part B item 8.

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:

	2014	2013
	12 months	12 months
	cumulative	cumulative
	to date	to date
	RM	RM
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	10,328,429	6,677,542
- Chuan Huat Hardware Sdn Bhd	420,889	1,261,077
Purchases from/(Sales to) 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	17,260	173,684
- Kemaman Quarry Sdn Bhd	(316,243)	111,410
Non-Trade		
Administrative service charged by Zaki Holdings (M) Sdn Bhd	120,000	120,000
Insurance premium paid and payable to Zaki Holdings (M) Sdn Bhd	723,286	894,863
Accommodation charges paid and payable to Residence Inn & Motels Sdn Bhd	12,998	34,150
Rental paid/payable to Dato' Sri Haji Wan Zaki bin Haji Wan Muda	795,137	36,000

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

1. REVIEW OF PERFORMANCE

Overall for the year 2014, The Group posted higher revenue than the preceding year by RM61.3 million or 10% with pre-tax profit improved by RM1.6 million (7%). This was mainly attributable to larger volume of works done by its Construction Division during the year under review.

Overall, the balance order book in Construction Division stood at **RM3,390 million** mainly comprising The Proposed Development of International Islamic University Malaysia Teaching Hospital in Kuantan, Pahang through Private Finance Initiative (**RM157 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 (**RM274 million**), 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 for Permodalan Nasional Berhad (**RM632 million**), The Design and Build Students Accommodation Complex at University Technology Malaysia, Jalan Semarak, Kuala Lumpur (**RM151 million**), The Proposed Construction and Completion of the Pangkalan Semenanjung Pasukan Gerakan Udara Polis Diraja Malaysia on Part of Lot 1210 (PA 27811), and Jalan Lapangan Terbang Subang, Seksyen U3, Shah Alam Selangor (**RM146 million**), The Proposed Construction and Completion of 2 Blocks of Office Buildings, Retails Spaces and External Works on Plots Z1 and Z2, 3 levels of Basement Parking and Access Road on Plots Z1, Z2, Z3 and Z4; and Upgrading Works to Jalan Alamanda with Associated Infrastructures and Landscaping Works at Precinct 1, Wilayah Persekutuan Putrajaya (**RM184 million**), The design and construction of Phase 1- East Klang Valley Expressway (**RM1,551 million**) and The Proposed Development of Langat 2 Water Treatment Plant and Water Reticulation System in Selangor Darul Ehsan/Wilayah Persekutuan Kuala Lumpur (Langat 2 WTP and Water Reticulation – Phase 1) and Package 2A – Construction and Completion of 1130 MLD Langat 2 Water Treatment Plant (**RM295 million** or 30% of joint venture).

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

	Current Qtr	Preceding Qtr	+ / (-)
	RM	RM	RM
Revenue	159,348	171,048	(11,700)
Profit before tax	7,375	3,508	3,867

On a quarter to quarter basis, the Group's revenue was lower mainly due to one-off reversal of claims in Construction operation whilst the Group's pre-tax profit was higher due to larger volume of works done by Construction Division.

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

3. PROSPECTS

The Group's Construction Division expects to perform better as the remaining order book balance remains strong and the prospects for enhancement of the order book is encouraging. Moving forward, the Oil and Gas Division continues to be robust with steady flow of income to the Group. The Group also looks forward to achieving positive development in Plantation Division.

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

Not applicable.

5. TAXATION

Taxation comprises :

	Current Qtr 31.12.2014 RM	Cumulative Current YTD 31.12.2014 RM
Current tax expense	1,377,471	4,963,539
Deferred tax expenses:		
- Origination of temporary differences	3,762,220	9,598,948
Total income tax expense	5,139,691	14,562,487

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 31.12.2014 RM	Cumulative Current YTD 31.12.2014 RM
Accounting profits before taxation	7,374,879	26,093,719
Tax at the statutory income tax rate of 25%	1,843,720	6,523,430
- Non taxable revenue	(155,927)	(155,927)
- Deferred tax assets not recognised	48,803	48,803
- Non deductible expenses	3,403,095	8,146,181
Tax Expense	5,139,691	14,562,487

**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 :

Movement of Deferred Tax Liabilities /(Assets)

	Current Qtr 31.12.2014 RM	Cumulative Current YTD 31.12.2014 RM
At beginning of the period/year	18,748,857	12,751,820
Transfer to income statement	3,762,220	9,598,948
Translation differences	(704,344)	(544,035)
At end of the period	21,806,733	21,806,733

Recognised deferred tax assets/(liabilities)

	Assets RM	Liabilities RM	Net RM
Tax loss carry-forward	26,112,919	-	26,112,919
Taxable temporary differences	-	(38,660,460)	(38,660,460)
Employee benefits	267,249	-	267,249
Property, plant and equipment	319,993	(2,151,837)	(1,831,844)
Fair value adjustment of investment property	-	(494,140)	(494,140)
Fair value adjustment of acquisition of subsidiary	-	(2,610,777)	(2,610,777)
Derecognition of results of joint venture in MCHV	-	(4,589,680)	(4,589,680)
Tax assets/(liabilities)	26,700,161	(48,506,894)	(21,806,733)
Set off of tax	(319,993)	319,993	-
Net tax assets/(liabilities)	26,380,168	(48,186,901)	(21,806,733)

6. CORPORATE PROPOSALS

- (a) There are no corporate proposals which have been announced by the Company but not completed as at 27 February 2015 (being the latest practicable date from the date of issuance of the 4th Quarter Report).

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

6. CORPORATE PROPOSALS (continued)

(b) Status of Right Issues' proceeds utilisation

As at 31 December 2014, the status of utilisation of the proceeds raised from the above Right Issues which was completed on 16 May 2014 are as follows:

	Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Deviation Amount (RM'000)	Explanations
(a)	Funding of projects	74,446	39,827	Within 18 months	NA	Not yet fully utilised
(b)	Repayment of borrowings	15,000	15,000	Within 6 months	-	Completed
(c)	Working capital	12,053	12,000	Within 12 months	NA	Completed
(d)	Estimated expenses	1,800	1,666	Within 6 months	NA	Completed
	Total	103,299	68,493			

7. GROUP BORROWINGS AND DEBTS SECURITIES

The Group borrowings as at 31 December 2014 are as follows:

Secured	Denominated in currency	Current	Non Current	Total
		RM '000	RM '000	RM '000
Bank Overdrafts	RM	21,082	-	21,082
Trust Receipts	RM	3,850	-	3,850
Revolving Credits	RM	36,836	-	36,836
Term Loans	RM	15,617	329,290	344,907
Term Loans	USD	-	48,071	48,071
Term Loans	IDR	7	21,456	21,463
Finance Lease Liabilities	RM	3,902	4,506	8,408
Finance Lease Liabilities	IDR	131	254	385
Total		81,425	403,577	485,002

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

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) **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 filed its statement of claim in respect of the final relief on 18 January 2012.

The hearing was held on 27 May 2012 and on 29 July 2013, the Company received notification that the Sole Arbitrator in ICC Arbitration case No. 17768/ND/MCP, AZRB Vs AFU and King Faisal Foundation (“KFF”) pertaining to the Contract (“the Arbitration”) had issued his final judgment and award. In the aforesaid final judgment and award, the Sole Arbitrator had ordered AFU and KFF to jointly and severally pay to AZRB the total amount of SAR 92,570,300 in respect of claims made by the Company in the Arbitration. The Group is now in the process of submitting this award and judgment to the local courts in Saudi Arabia for enforcement.

(ii) **Notice of Arbitration by Cobrain Holdings Sbd Bhd**

On 20 October 2014, AZRB had received a Notice of Arbitration from Cobrain Holdings Sdn Bhd (“CHSB”) to commence arbitration proceedings against AZRB.

CHSB is a sub-contractor appointed by AZRB to undertake the sub-contract work to “Supply, Install, Testing and Commissioning of Electrical High Tension, Low Voltage and Structure Cabling Services for the Construction of Phase 1 and Phase 2” for the project known as “Al-Faisal University Campus Development Project” in Riyadh, Kingdom of Saudi Arabia.

The arbitration proceeding is commenced against AZRB to seek relief in respect of its alleged payment of the final claim totalling SAR14,370,941.28 (approximately RM12,485,653). AZRB has consulted its solicitors who will defend the case on AZRB’s behalf.

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

8. MATERIAL LITIGATION (continued)

- b) Claim or litigation brought against its subsidiary:

Multiglow Corporation Sdn Bhd (“Multiglow”) vs Ahmad Zaki Sdn Bhd (“AZSB”)

On 7 May 2014, its wholly-owned subsidiary, AZSB has been served with Writs of Summons and Statement of Claims dated 2 May 2014 by its subcontractor, Multiglow claiming for the sum of RM9,860,691.78 in relation to Kertih Polymer Park (“KPP”) Phase 1 Project (“KPP1 Project”) and KPP Phase 2 Project (“KPP2 Project”) and for the sum of RM2,722,476.33 in relation to Lebuhraya Pantai Timur Phase 2 5A Project (“LPT2 5A Project”) in Terengganu (collectively, known as “the Projects”). AZSB contests the alleged claims and has consulted its solicitors who will defend the suits on AZSB’s behalf.

(i) Multiglow Corporation Sdn Bhd vs Ahmad Zaki Sdn Bhd (KPP1 & KPP2 Projects)

The Court has fixed 11 and 12 May 2015 for Trial.

(ii) Multiglow Corporation Sdn Bhd vs Ahmad Zaki Sdn Bhd (LPT2 5A Project)

The Court has fixed 2 April 2015 for Trial.

9. DIVIDEND

The Board did not recommend any dividend for the current financial period or year under review.

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 while diluted earnings per share was calculated based the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

**PART B :EXPLANATORY NOTES TO BURSA MALAYSIA SECURITIES BERHAD
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10. EARNINGS PER SHARE (continued)

		Current Quarter ended 31/12/2014	Current Quarter ended 31/12/2013	Cumulative Quarter ended 31/12/2014	Cumulative Quarter ended 31/12/2013
		RM	RM	RM	RM
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		2,730,332	339,282	12,709,808	5,525,874
Basic					
Weighted average number of ordinary shares in issue		407,127,272	276,942,189	407,127,272	276,942,189
Diluted					
Weighted average number of ordinary shares in issue		407,127,272	276,942,189	407,127,272	276,942,189
Effects of dilution resulting from unexercised warrants on issue		1,454,916	-	1,454,916	-
Adjusted weighted average number of ordinary shares in issue and issuable		408,582,188	276,942,189	408,582,188	276,942,189

**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 31.12.2014	As at the end of last financial year
	RM'000	RM'000
Total retained profits of Ahmad Zaki Resources Berhad and its subsidiaries		
- Realised	183,480	112,502
- Unrealised	(15,216)	(11,122)
	168,264	101,380
Total share of retained profits from associated companies		
- Realised	51	51
- Unrealised	-	-
	51	51
Total share of retained profits from jointly controlled companies		
- Realised	(137)	(254)
- Unrealised	-	-
	(137)	(254)
Less : Consolidated adjustments	(20,789)	(28,066)
Total Group retained profits as per consolidated accounts	147,389	73,111