

**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 3<sup>rd</sup> quarter and period ended 31 March 2023 of AZRB and its subsidiaries (“the Group”). This announcement should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the quarterly condensed financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2023**

RM’000	Note	Current quarter ended <u>3-month</u> 31.03.2023	Comparative quarter ended <u>3-month</u> 31.03.2022	Cumulative quarter ended <u>9-month</u> 31.03.2023	Cumulative quarter ended <u>9-month</u> 31.03.2022
Revenue		98,091	181,272	256,267	623,616
Operating expenses	1	(81,997)	(195,920)	(299,888)	(636,111)
Other operating income		390	600	3,713	3,564
<b>Profit/(Loss) from operating activities</b>		<b>16,484</b>	<b>(14,048)</b>	<b>(39,908)</b>	<b>(8,931)</b>
Finance income		13,900	14,739	41,439	43,572
Finance expenses		(21,124)	(17,763)	(58,094)	(48,506)
Share of profit/(loss) of associates		1	-	(1)	-
<b>Profit/(Loss) before tax</b>		<b>9,261</b>	<b>(17,072)</b>	<b>(56,564)</b>	<b>(13,865)</b>
Income tax expense		(3,739)	(1,687)	(10,951)	(8,472)
<b>Profit/(Loss) for the period</b>	<b>2</b>	<b>5,522</b>	<b>(18,759)</b>	<b>(67,515)</b>	<b>(22,337)</b>
<b>Other comprehensive (loss)/income, net of tax</b>					
Foreign currency translation differences for foreign operations		(14,947)	(604)	1,486	(6,383)
<b>Total comprehensive loss for the period</b>		<b>(9,425)</b>	<b>(19,363)</b>	<b>(66,029)</b>	<b>(28,720)</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		6,513	(16,331)	(63,747)	(21,547)
Non-controlling interests		(991)	(2,428)	(3,768)	(790)
<b>Profit/(Loss) for the period</b>		<b>5,522</b>	<b>(18,759)</b>	<b>(67,515)</b>	<b>(22,337)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2023**

RM'000	Current quarter ended <u>3-month</u> 31.03.2023	Comparative quarter ended <u>3-month</u> 31.03.2022	Cumulative quarter ended <u>9-month</u> 31.03.2023	Cumulative quarter ended <u>9-month</u> 31.03.2022
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(7,630)	(16,886)	(62,282)	(27,612)
Non-controlling interests	(1,795)	(2,477)	(3,747)	(1,108)
<b>Total comprehensive loss for the period</b>	<b>(9,425)</b>	<b>(19,363)</b>	<b>(66,029)</b>	<b>(28,720)</b>
<b>Profit/(Loss) per ordinary share (sen)</b>	<b>1.09</b>	<b>(2.73)</b>	<b>(10.66)</b>	<b>(3.60)</b>
<b>Note 1:</b>				
Operating expenses represents the following:				
Cost of sales	93,022	171,397	240,680	582,363
(Gain)/Loss on foreign exchange - unrealised	(28,513)	1,069	5,930	(9,382)
Other operating expenses	17,488	23,454	53,278	63,130
<b>Total</b>	<b>81,997</b>	<b>195,920</b>	<b>299,888</b>	<b>636,111</b>
<b>Note 2:</b>				
Profit/(Loss) for the period is arrived at after (crediting)/charging the following items:				
Interest income	(1,225)	(1,499)	(2,954)	(3,583)
Accretion of fair value of non-current receivables	(12,675)	(13,240)	(38,485)	(39,989)
Interest expenses	19,752	17,186	54,117	47,749
Depreciation and amortisation of non-current assets	10,824	9,285	24,623	26,789
Employee retirement benefits provision	-	-	-	35

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
 31 MARCH 2023**

RM'000	Unaudited as at 31.03.2023	Audited as at 30.06.2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	660,399	673,091
Right-of-use assets	17,917	9,547
Prepaid lease payments	16,489	18,146
Land held for development	74,769	79,318
Intangible assets	13,814	15,125
Concession service assets	2,322,015	2,251,485
Goodwill	38,887	38,887
Investments in associates	2,801	2,802
Investments in financial assets	116	116
Deferred tax assets	38,383	38,413
Trade and other receivables	600,016	542,521
<b>Total non-current assets</b>	<b>3,785,606</b>	<b>3,669,451</b>
<b>Current assets</b>		
Biological assets	660	660
Inventories	41,247	30,594
Property development costs	3,503	1,254
Tax recoverable	9,475	7,619
Construction contract assets	129,518	122,053
Trade and other receivables	349,971	388,507
Financial assets at fair value through profit or loss	70,225	107,455
Cash and deposits	249,837	189,500
<b>Total current assets</b>	<b>854,436</b>	<b>847,642</b>
<b>Total assets</b>	<b>4,640,042</b>	<b>4,517,093</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
 31 MARCH 2023**

<b>RM'000</b>	<b>Unaudited as at 31.03.2023</b>	<b>Audited as at 30.06.2022</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	198,836	197,536
Reserves	(36,026)	27,176
<b>Equity attributable to owners of the Company</b>	<b>162,810</b>	<b>224,712</b>
Non-controlling interests	(8,369)	(3,286)
<b>Total equity</b>	<b>154,441</b>	<b>221,426</b>
<b>Non-current and deferred liabilities</b>		
Loans and borrowings	2,800,109	2,667,919
Lease liabilities	15,955	7,353
Employee benefits	7,322	6,677
Deferred tax liabilities	108,680	109,044
Trade and other payables	209,748	209,815
<b>Total non-current and deferred liabilities</b>	<b>3,141,814</b>	<b>3,000,808</b>
<b>Current liabilities</b>		
Loans and borrowings	228,464	351,128
Lease liabilities	2,374	2,414
Trade and other payables	1,082,933	923,636
Tax liabilities	30,016	17,681
<b>Total current liabilities</b>	<b>1,343,787</b>	<b>1,294,859</b>
<b>Total liabilities</b>	<b>4,485,601</b>	<b>4,295,667</b>
<b>Total equity and liabilities</b>	<b>4,640,042</b>	<b>4,517,093</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2023**

RM'000	Attributable to the owners of the Company									
	Non-distributable					Distributable				
	Share capital	Other reserve	Warrant reserve	Foreign exchange translation reserve	Employees' Share Scheme	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
At 1 July 2022	197,536	650	27,889	11,745	1,506	(1,026)	(13,588)	224,712	(3,286)	221,426
Adjustment	-	-	-	-	-	-	380	380	(1,336)	(956)
	<b>197,536</b>	<b>650</b>	<b>27,889</b>	<b>11,745</b>	<b>1,506</b>	<b>(1,026)</b>	<b>(13,208)</b>	<b>225,092</b>	<b>(4,622)</b>	<b>220,470</b>
Loss for the year	-	-	-	-	-	-	(63,747)	(63,747)	(3,768)	(67,515)
Foreign currency translation differences for foreign operations	-	554	-	911	-	-	-	1,465	21	1,486
Redemption of redeemable preference shares	1,300	-	-	-	-	-	(1,300)	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>1,300</b>	<b>554</b>	<b>-</b>	<b>911</b>	<b>-</b>	<b>-</b>	<b>(65,047)</b>	<b>(62,282)</b>	<b>(3,747)</b>	<b>(66,029)</b>
At 31 March 2023	<b>198,836</b>	<b>1,204</b>	<b>27,889</b>	<b>12,656</b>	<b>1,506</b>	<b>(1,026)</b>	<b>(78,255)</b>	<b>162,810</b>	<b>(8,369)</b>	<b>154,441</b>

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

RM'000	Attributable to the owners of the Company									
	Non-distributable					Distributable				
	Share capital	Other reserve	Warrant reserve	Foreign exchange translation reserve	Employees' Share Scheme	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
At 1 July 2021	197,536	1,784	27,889	18,976	1,506	(1,026)	49,666	296,331	16	296,347
Loss for the year	-	-	-	-	-	-	(63,254)	(63,254)	(2,803)	(66,057)
Foreign currency translation differences for foreign operations	-	(608)	-	(7,231)	-	-	-	(7,839)	(471)	(8,310)
Actuarial loss from employee benefits	-	(526)	-	-	-	-	-	(526)	(28)	(554)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,134)</b>	<b>-</b>	<b>(7,231)</b>	<b>-</b>	<b>-</b>	<b>(63,254)</b>	<b>(71,619)</b>	<b>(3,302)</b>	<b>(74,921)</b>
At 30 June 2022	<b>197,536</b>	<b>650</b>	<b>27,889</b>	<b>11,745</b>	<b>1,506</b>	<b>(1,026)</b>	<b>(13,588)</b>	<b>224,712</b>	<b>(3,286)</b>	<b>221,426</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2023**

RM'000	Cumulative quarter ended <u>9-month</u> 31.03.2023	Audited for year ended <u>12-month</u> 30.06.2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(56,564)	(67,631)
Adjustments for:		
Accretion of fair value on non-current receivables	(38,485)	(53,119)
Interest income	(2,954)	(3,835)
Interest expense	54,117	63,562
Finance costs on lease liabilities	590	432
Allowance for doubtful debt	-	10,932
Loss on foreign exchange - unrealised	5,930	13,086
Amortisation of transaction costs	1,032	1,298
Depreciation of property, plant and equipment	21,090	34,869
Depreciation of right-of-use assets	1,915	5,144
Amortisation of prepaid lease payments	352	1,408
Amortisation of intangible assets	1,267	1,748
Share of loss of associates	1	1
Employee retirement benefits provision	-	1,646
Gain on disposal of property, plant and equipment - net	(1,170)	(480)
Gain on derecognition of right-of-use assets	-	(4,536)
Fair value loss on financial assets	37,230	4,029
Fair value gain arising from biological assets	-	(396)
<b>Operating profit before working capital changes</b>	<b>24,351</b>	<b>8,158</b>
Changes in working capital:		
Increase in inventories	(10,653)	(7,923)
(Increase)/Decrease in construction contract assets	(7,465)	4,093
Decrease in property development costs	2,300	26,686
Increase in concession service assets	(70,530)	(217,635)
Decrease in trade and other receivables	9,264	120,462
Increase in trade and other payables	198,102	140,879
<b>Cash from operations</b>	<b>145,369</b>	<b>74,720</b>
Interest received	2,954	3,835
Retirement benefits paid	-	(237)
Income tax paid - net	(161)	(1,093)
<b>Net cash from operating activities</b>	<b>148,162</b>	<b>77,225</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2023**

RM'000	Cumulative quarter ended <u>9-month</u> 31.03.2023	Audited for year ended <u>12-month</u> 30.06.2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in land held for development	-	(16,636)
Withdrawal of financial assets at fair value through profit or loss	-	116,578
Proceeds from disposal of property, plant and equipment	843	634
Purchase of property, plant and equipment	(200)	(70,778)
<b>Net cash from investing activities</b>	<b>643</b>	<b>29,798</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
(Increase)/Decrease in pledged cash and deposits	(97,658)	7,488
Interest paid	(54,707)	(143,896)
Additional/(Repayment) of lease liabilities (net)	7,972	(1,139)
Repayment of finance lease liabilities (net)	(2,310)	(8,023)
Net (repayments)/drawdowns of loans and borrowings	(32,878)	24,015
<b>Net cash used in financing activities</b>	<b>(179,581)</b>	<b>(121,555)</b>
Net decrease in cash and cash equivalents	(30,776)	(14,532)
Cash and cash equivalents at beginning of the period	41,680	56,212
<b>Cash and cash equivalents at end of the period</b>	<b>10,904</b>	<b>41,680</b>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts:		
Deposits placed with licensed banks	68,420	69,804
Cash and bank balances	181,417	119,696
	<b>249,837</b>	<b>189,500</b>
Less:		
Bank overdrafts	(38,937)	(45,482)
Pledged deposits	(199,996)	(102,338)
<b>Cash and cash equivalents at end of the period</b>	<b>10,904</b>	<b>41,680</b>

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**1. ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting*, and Paragraph 9.22 of the Main Market 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 30 June 2022 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 Company and its subsidiary companies (“the Group”) since the financial year ended 30 June 2022.

**2. CHANGES IN ACCOUNTING POLICIES**

The significant 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 audited financial statements for the financial year ended 30 June 2022.

**Amendments to MFRSs in issue but not yet effective**

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
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<sup>1</sup> Effective date deferred to a date to be announced by MASB



**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**2. CHANGES IN ACCOUNTING POLICIES (continued)**

**Amendments to MFRSs in issue but not yet effective (continued)**

The initial application of the Amendments to MFRSs above are not expected to have any material impact to the financial results of the Group.

**3. STATUS OF FINANCIAL STATEMENTS QUALIFICATION**

The auditors' report of the preceding audited financial statements for the financial year ended 30 June 2022 was not subject to any qualification.

**4. REVIEW OF SEASONALITY OR CYCLICALITY OF OPERATIONS**

The Group was not significantly affected by any seasonal or cyclical factors.

**5. ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS THAT ARE UNUSUAL DUE 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 quarter ended 31 March 2023.

**6. CHANGES IN ESTIMATES REPORTED IN PRIOR FINANCIAL YEARS**

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

**7. CHANGES IN DEBT AND EQUITY SECURITIES**

There were no issuances and repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

**8. DIVIDEND PAID**

No dividend was paid for the period under review.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**9. SEGMENT REPORTING**

Segment reporting is presented in respect of the Group's business segments. Inter-segment pricing is determined based on cost plus method.

RM'000	Engineering & Construction	Concession	Oil & Gas	Plantation	Property	Other Operations	Eliminations	Consolidated
<b>9-month</b>								
<b>31.03.2023</b>								
<b>Revenue</b>								
External revenue	144,985	40,539	57,542	8,938	4,263	-	-	256,267
Inter-segment Revenue	-	-	826	-	-	13,125	(13,951)	-
<b>Total revenue</b>	<b>144,985</b>	<b>40,539</b>	<b>58,368</b>	<b>8,938</b>	<b>4,263</b>	<b>13,125</b>	<b>(13,951)</b>	<b>256,267</b>
<b>Results</b>								
Segment results	(34,321)	28,380	(2,795)	(36,794)	(390)	(10,644)	-	(56,564)
Interest income	600	-	3	-	11	2,340	-	2,954
Interest expenses	(18,715)	(18,858)	(4,186)	(12,004)	(353)	(1)	-	(54,117)
Non-cash income/ (expenses) (Note i)	1,169	38,485	-	(6,900)	-	(62)	-	32,692
Depreciation and amortisation of non-current assets	(3,011)	(86)	(4,466)	(16,409)	(610)	(41)	-	(24,623)
<b>9-month</b>								
<b>31.12.2022</b>								
<b>Revenue</b>								
External revenue	334,222	40,250	42,173	172,052	34,919	-	-	623,616
Inter-segment revenue	-	-	4,338	-	-	14,243	(18,581)	-
<b>Total revenue</b>	<b>334,222</b>	<b>40,250</b>	<b>46,511</b>	<b>172,052</b>	<b>34,919</b>	<b>14,243</b>	<b>(18,581)</b>	<b>623,616</b>
<b>Results</b>								
Segment results	(14,877)	32,783	(477)	(14,197)	4,098	3,985	(25,180)	(13,865)
Interest income	367	3	3	-	15	3,195	-	3,583
Interest expenses	(12,442)	(20,038)	(4,017)	(10,555)	(694)	(3)	-	(47,749)
Non-cash income (Note i)	137	39,989	-	8,039	-	477	-	48,642
Depreciation and amortisation of non-current assets	(4,177)	(74)	(7,292)	(14,596)	(576)	(74)	-	(26,789)

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**9. SEGMENT REPORTING (continued)**

Note i:

<b>RM'000</b>	<b>Cumulative quarter ended 9-month 31.03.2023</b>	<b>Cumulative quarter ended 9-month 31.03.2022</b>
Employee retirement benefits provision	-	(35)
Accretion of fair value of non-current receivables	38,485	39,989
Amortisation of transaction costs	(1,032)	(948)
(Gain)/Loss on foreign exchange - unrealised	(5,930)	9,381
Gain on disposal of property, plant and equipment	1,169	255
<b>Total</b>	<b>32,692</b>	<b>48,642</b>

**10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuation of property, plant and equipment has been brought forward without amendment from the latest audited financial statements.

**11. SUBSEQUENT EVENTS**

There was no material event subsequent to the end of the current quarter up to 30th May 2023 (being the latest practicable date from the date of issuance of the Quarter Report) that has not been reflected in the financial statements for the current quarter.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no material changes in the composition of the Group during the current quarter.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**13. CONTINGENT LIABILITIES**

(a) Tax Review

- (i) Ahmad Zaki Saudi Arabia Co. Ltd., a subsidiary of the Company is currently undergoing a tax review with the General Authority of Zakat & Tax of Saudi Arabia (“DZIT”) for additional back taxes. Upon consulting its appointed solicitors, the Directors are of the view that there are strong grounds to disagree with the DZIT and have submitted the necessary supporting documents, and are confident of a favourable outcome.
- (ii) P.T. Ichtar Gusti Pudi (“PTIGP”), a subsidiary of the Company had undergone a tax review with the Directorate General of Taxes in Indonesia relating to claims of unpaid back taxes relating to year of assessment 2016. PTIGP had filed a tax appeal and attended a series of trials.

The outcome of trial held on 25 October 2022 is in favour of PTIGP whereby the Directorate General of Taxes in Indonesia has to make a refund to PTIGP of IDR2.1 billion due to overpayments of tax.

(b) Liquidated and Ascertained Damages

On 7 December 2020, a contract customer had issued a letter to Ahmad Zaki Sdn. Bhd. (“AZSB”), a subsidiary of the Company, imposing Liquidated and Ascertained Damages (“LAD”) of RM44,800,000. However, AZSB had submitted appeal letters to the contract customer requesting for waiver of LAD.

As a result, the contract customer had granted waiver of LAD amounting to RM15,700,000. The waiver of LAD had been reflected in the latest interim payment certificate making the net LAD charged to AZSB amounting to RM29,100,000 of which RM7,000,000 has been provided in the financial statements.

On 11 June 2021, AZSB had requested for Extension of Time (“EOT”) to revise the project completion date from 11 January 2020 to 28 October 2020. The EOT is subject to the approval by the contract customer.

Negotiations with the contract customer on the LAD are still ongoing and the Group has taken pro-active actions to appeal for further LAD waiver. Therefore, the Directors are of the opinion that AZSB’s request is relevant and could be assessed fairly and reasonably by the contract customer.

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 6**

**14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Directors regard Zaki Holdings (M) Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company. The significant transactions with the Directors, parties connected to the Directors, and companies in which the Directors have substantial financial interests are as follows:

<b>RM'000</b>	<b>Cumulative quarter ended 9-month 31.03.2023</b>	<b>Cumulative quarter ended 9-month 31.03.2022</b>
<b>Trade</b>		
Purchases from following companies in which a director has substantial financial interests, and is also a director:		
- Kemaman Quarry Sdn. Bhd.	14	13
- QMC Sdn. Bhd.	-	566
Sales to the following companies of which a director has substantial financial interests, and is also a director		
- MIM Waste Services Sdn. Bhd.	(138)	(96)
- Kemaman Quarry Sdn. Bhd.	(17)	(217)
<b>Non-trade</b>		
Administrative services charged by ultimate holding company	61	93
Insurance premium charged by ultimate holding company	448	481
Rental of land charged by a director of the Company	598	607
Security services charged by ultimate holding company	1,408	4,440

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

**1. REVIEW OF PERFORMANCE**

The Group posted a revenue of RM98.1 million and profit before tax (“PBT”) of RM9.3 million for the current quarter ended 31 March 2023 compared to a revenue of RM181.3 million and loss before tax (“LBT”) of RM17.1 million in the previous corresponding quarter ended 31 March 2022. The decrease in revenue by more than 100% is mainly due to lower revenue in the Engineering & Construction and Plantation Division. Despite lower revenue, the Group recorded a more than 100% improvement in PBT mainly due to gains arising from foreign exchange.

The Oil & Gas Division recorded revenue of RM14.7 million during the quarter, an increase of 19% from the revenue in the previous year’s corresponding quarter of RM12.3 million. The higher volume of bunkering activities and vessel calls contributed to the healthier revenue performance of the division. Division recorded higher LBT of RM3.8 million in current quarter, compared to RM3.6 million loss in corresponding quarter of the previous financial year.

The Engineering & Construction Division reported revenue of RM65.4 million and LBT of RM10.9 million in the current quarter compared to revenue of RM98.4 million and LBT of RM5.4 million in the corresponding quarter of 2022, representing a decrease in revenue of more than 100% and higher LBT of more than 100%. As the Division churns through its order-book, the Division saw a number of projects reaching completion thus leading to lower revenue recognised.

The Plantation Division reported revenue of RM2.9 million and PBT of RM16.8 million in the current quarter compared to revenue of RM56.3 million and LBT of RM11.9 million in the corresponding quarter of the previous financial year. Excluding the foreign exchange gain of RM28.9 million, the division registered a LBT of RM12.1 million.

The Property Division reported revenue of RM1.6 million and LBT of RM0.2 million in the current quarter compared to revenue of RM0.6 million and LBT of RM0.3 million in the corresponding quarter of the previous financial year. The increase was mainly due to better performance of the hotel business.

The Group posted a quarterly PBT of RM9.3 million for the quarter, consist of LBT from Engineering & Construction Division of RM10.9 million, Oil & Gas Division of RM3.8 million and PBT from Plantation Division of RM16.8 million as compared to a LBT of RM17.1 million recorded for the same quarter in 2022. The Group’s PBT for the current quarter included an unrealised forex exchange gain of RM28.5 million. Adjusting for unrealised forex amount, the Group recorded a forex-adjusted LBT of RM19.2 million for the current quarter as compared to a forex-adjusted LBT of RM16.0 million in the previous corresponding quarter.

**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**

<b>RM'000</b>	<b>Current quarter ended 31.03.2023</b>	<b>Preceding quarter ended 31.12.2022</b>	<b>Variance + / (-)</b>
Revenue	98,091	83,377	14,714
Profit/(Loss) before tax	9,261	(40,571)	49,832
Adjust: Forex (gain)/loss	(28,513)	24,102	(52,615)
Forex-adjusted loss before tax	(19,252)	(16,469)	(2,783)

The Group's quarterly revenue increased to RM98.1 million, from RM83.4 million in the previous quarter mainly due to higher revenue generated by the Engineering & Construction Division.

Despite the increase in revenue in the current quarter, the Group posted a forex-adjusted LBT of RM19.2 million, a reduction from forex-adjusted LBT of RM16.5 million reported in the preceding quarter mainly due to lower operational performance in Oil & Gas Division in the current quarter by RM3.0 million.

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

**3. PROSPECTS**

The Group has RM774 million of outstanding order-book as at 31 March 2023 and continues to focus in sourcing for avenues to replenish its order-book. The current outstanding balance will be able to sustain the Group for the upcoming year.

The Group is greatly encouraged by the Malaysian Government's announcement of "The Twelfth Malaysia Plan (12MP)" which highlighted 'Enhancing Connectivity & Transport Infrastructure' as one of the key Policy Enablers that will play a crucial role in facilitating growth across all sectors of Malaysia's economy. This should translate into greater opportunities for the construction industry in the coming 5 years. The recent announcement made by the Government in the revised budget also supports this intention and this augurs well with the industry we are invested in.

In addition to new projects being rolled-out by the Government, the Group continues to tender for projects in the private sector which in turn, keeps its clientele base sufficiently diversified. Moving forward, the Group intends to leverage on its position as a reputable builder of distinction to tap into any suitable opportunities on offer in the sector.

The Oil & Gas Division is also greatly encouraged by the recent up-take in the demand for its services, signifying increasing confidence in the supply bases' ability to fulfil the needs of major oil and gas companies in its vicinity. The Division expects increase in drilling operation originating from the current tenants at the supply base, and they will contribute positively to the Group in the near future.

In relation to the Plantation Division, the low collection of FFB and reduction in refinery production has reduced the crude palm oil ("CPO") stocks and sales. The Division is hopeful for a better production in coming months.

The Group also benefits by the contribution from the Concession Division. It continues to provide positively to the Group from its long-term concessions which will last up to year 2038.

As a whole, the Group continues to practice prudent financial management and rigorously manages its resources to ensure that it will continue to remain resilient in facing challenges of operating in the new normal working environment.



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

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

Not applicable.

**5. TAXATION**

RM'000	Cumulative quarter ended 9-month 31.03.2023	Cumulative quarter ended 9-month 31.03.2022
Current tax expense	11,315	8,836
Deferred taxation	(364)	(364)
<b>Income tax expense</b>	<b>10,951</b>	<b>8,472</b>

**6. CORPORATE PROPOSALS**

There are no corporate proposals which have been announced by the Company but not completed as at 30th May 2023 (being the latest practicable date from the date of issuance of the Quarter Report).

**7. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings (secured) as at 31 March 2023 are as follows:

RM'000	Denominated in currency	Current	Non-current	Total
Bank overdrafts	RM	38,937	-	38,937
Revolving credits	RM	58,153	-	58,153
Revolving credits	USD	104,300	-	104,300
Term loans	RM	17,466	1,009,904	1,027,370
Term loans	USD		319,124	319,124
Finance lease liabilities	RM	3,841	2,706	6,547
Sukuk	RM	5,767	1,468,375	1,474,142
<b>Total</b>		<b>228,464</b>	<b>2,800,109</b>	<b>3,028,573</b>

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

**8. MATERIAL LITIGATIONS**

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:

Writ and Statement of Claim against AEON Co. (M) Bhd and Counter Claim by AEON Co. (M) Bhd (“AEON”)

On 2 March 2021, Betanaz Properties Sdn Bhd (“Betanaz”), a 51%-owned subsidiary of the Company served a Writ and Statement of Claim (“Claim”) on AEON pertaining to the breach of Tenancy Agreement by AEON which was entered into between both parties on 24 August 2017, where Betanaz granted to AEON a tenancy and lease of a plot of land held under H.S.(D) 59653, PT No. 145020, Mukim Kuala Kuantan, Daerah Kuantan, Pahang for AEON to construct and thereafter, to operate a commercial shopping complex. The Tenancy Agreement was subsequently supplemented and/or amended by a Supplementary Tenancy Agreement dated 13 September 2019.

Betanaz is claiming against AEON for the following:

- (1) Judgment in the sum of RM59,302,302.97, or such other amount as assessed by the Court;
- (2) in the alternative to (1) above, Judgment in the sum of RM18,936,207.76, or such other amount as assessed by the Court;
- (3) interest at such rate and for such period as the Court deems fit and just;
- (4) costs; and
- (5) such further and or other relief as the Court deems fit and just.

Betanaz’s solicitors and AZRB have on 29 March 2021 and 31 March 2021 respectively, received a Defence against Betanaz’s claim, and a Counterclaim by AEON against Betanaz and AZRB seeking a refund of the monies paid by AEON to Betanaz and AZRB, on the ground that the Tenancy Agreement, and the Commercial Agreement dated 24 August 2017 between AZRB and AEON (“Commercial Agreement”) were allegedly void by reason of the alleged non-fulfilment of the conditions precedent to those agreements.

AEON is claiming against Betanaz, amongst others, the return or payment of RM2,303,087.00 under the Tenancy Agreement and against AZRB, amongst others, the return of RM28,415,094.44 under the Commercial Agreement.

The hearing for the Application to Strike Out the Counter Claim filed by Betanaz was held on 22 October 2021 and the High Court Judge allowed the Application to Strike Out the Counter Claim with costs to be paid by AEON to AZRB.

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

**8. MATERIAL LITIGATIONS (continued)**

Writ and Statement of Claim against AEON Co. (M) Bhd and Counter Claim by AEON Co. (M) Bhd ("AEON") (continued)

On 26 October 2021, AEON had filed their Notice to Appeal at the Court of Appeal against the entirety of the decision of the High Court Judge. On 9 May 2022, the Court of Appeal allowed AEON's appeal with costs. Consequently, the High Court Order for the Striking Out application is set aside. A case management has been fixed at High Court on 18 May 2022.

The Main Action that had been fixed for Trial from 27 to 30 June 2022 is vacated. The new Trial Dates are 6th to 7th July 2023 and 3rd to 4th August 2023.

**9. DIVIDEND**

No dividend was declared or paid during the period under review.

**10. LOSS PER SHARE**

The basic loss per share was calculated based on the consolidated results after taxation and minority interests over the weighted average number of ordinary shares in issue during the period calculated as follows:

<b>RM'000</b>	<b>Current quarter ended 3-month 31.03.2023</b>	<b>Comparative quarter ended 3-month 31.03.2022</b>	<b>Cumulative quarter ended 9-month 31.03.2023</b>	<b>Cumulative quarter ended 9-month 31.03.2022</b>
Profit/(Loss) attributable to owners of the Company	6,513	(16,311)	(63,747)	(21,547)
Weighted average number of ordinary shares in issue	598,098	598,098	598,098	598,098
<b>Profit/(Loss) per share (sen)</b>	<b>1.09</b>	<b>(2.73)</b>	<b>(10.66)</b>	<b>(3.60)</b>

**11. FINANCIAL INSTRUMENT - DERIVATIVES**

Not applicable.

**12. GAINS AND LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

Not applicable. All financial liabilities are measured using the amortised cost method.