

**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 2024 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 2023 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 2024**

RM’000	Note	Current quarter ended 3-month 31.03.2024	Comparative quarter ended 3-month 31.03.2023	Cumulative quarter ended 9-month 31.03.2024	Cumulative quarter ended 9-month 31.03.2023
Revenue		93,927	98,091	270,353	256,267
Operating expenses	1	(95,679)	(81,997)	(357,342)	(299,888)
Other operating income		988	390	191,233	3,713
<b>Profit/(Loss) from operating activities</b>		<b>(764)</b>	<b>16,484</b>	<b>104,244</b>	<b>(39,908)</b>
Finance income		12,997	13,900	38,864	41,439
Finance expenses		(9,508)	(21,124)	(57,691)	(58,094)
Share of loss of associates		-	1	-	(1)
<b>Profit/(Loss) before tax</b>		<b>2,725</b>	<b>9,261</b>	<b>85,417</b>	<b>(56,564)</b>
Income tax expense		(2,287)	(3,739)	(6,771)	(10,951)
<b>Profit/(Loss) for the period</b>	<b>2</b>	<b>438</b>	<b>5,522</b>	<b>78,646</b>	<b>(67,515)</b>
<b>Other comprehensive (loss)/income, net of tax</b>					
Actuarial gain from employee benefits		-	-	-	-
Foreign currency translation differences for foreign operations		999	(14,947)	(120)	1,486
Other reserve and non-controlling interest movement upon disposal of subsidiary		-	-	29,186	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>1,437</b>	<b>(9,425)</b>	<b>107,712</b>	<b>(66,029)</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		5,761	6,513	84,974	(63,747)
Non-controlling interests		(5,323)	(991)	(6,328)	(3,768)
<b>Profit/(Loss) for the period</b>		<b>438</b>	<b>5,522</b>	<b>78,646</b>	<b>(67,515)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2024**

RM'000	Current quarter ended <u>3-month</u> 31.03.2024	Comparative quarter ended <u>3-month</u> 31.03.2023	Cumulative quarter ended <u>9-month</u> 31.03.2024	Cumulative quarter ended <u>9-month</u> 31.03.2023
<b>Total comprehensive Profit/(Loss) attributable to:</b>				
Owners of the Company	6,759	(7,630)	93,299	(62,282)
Non-controlling interests	(5,322)	(1,795)	14,413	(3,747)
<b>Total comprehensive Profit/(Loss) for the period</b>	<b>1,437</b>	<b>(9,425)</b>	<b>107,712</b>	<b>(66,029)</b>
<b>Earnings/(Loss) per ordinary share (sen)</b>	<b>0.88</b>	<b>1.09</b>	<b>13.42</b>	<b>(10.66)</b>
<b>Note 1:</b>				
Operating expenses represents the following:				
Cost of sales	79,802	93,022	257,378	240,680
(Gain)/Loss on foreign exchange - unrealised	-	(28,513)	(11,532)	5,930
Other operating expenses	15,877	17,488	111,496	53,278
<b>Total</b>	<b>95,679</b>	<b>81,997</b>	<b>357,342</b>	<b>299,888</b>
<b>Note 2:</b>				
Profit/(Loss) for the period is arrived at after (crediting)/charging the following items:				
Interest income	(978)	(1,225)	(2,303)	(2,954)
Accretion of fair value of non-current receivables	(12,019)	(12,675)	(36,561)	(38,485)
Interest expenses	9,202	19,752	56,718	54,117
Depreciation and amortisation of non-current assets	1,401	10,824	10,330	24,623
Gain on disposal of subsidiary	-	-	(189,188)	-

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
 31 MARCH 2024**

RM'000	Unaudited as at 31.03.2024	Audited as at 30.06.2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	273,375	663,926
Land held for development	55,261	54,376
Available-for-sale investments	68	68
Right-of-use assets	20,213	33,066
Investment properties	23,743	7,407
Intangible assets	50,568	51,678
Concession service assets	2,535,239	2,429,713
Investments in associates	2,640	2,640
Deferred tax assets	7,331	14,909
Trade and other receivables	560,708	560,943
<b>Total non-current assets</b>	<b>3,529,146</b>	<b>3,818,726</b>
<b>Current assets</b>		
Biological assets	-	139
Inventories	9,627	36,533
Tax recoverable	2,393	2,557
Construction contract assets	136,591	159,581
Trade and other receivables	404,622	298,655
Financial assets at fair value through profit or loss	68,646	71,488
Cash and deposits	361,589	246,675
<b>Total current assets</b>	<b>983,468</b>	<b>815,628</b>
<b>Total assets</b>	<b>4,512,614</b>	<b>4,634,354</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
 31 MARCH 2024**

<b>RM'000</b>	<b>Unaudited as at 31.03.2024</b>	<b>Audited as at 30.06.2023</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	209,746	197,536
Reserves	(36,991)	(130,290)
<b>Equity attributable to owners of the Company</b>	<b>172,755</b>	<b>67,246</b>
Non-controlling interests	(4,576)	(18,989)
<b>Total equity</b>	<b>168,179</b>	<b>48,257</b>
<b>Non-current and deferred liabilities</b>		
Loans and borrowings	2,358,752	2,599,968
Lease liabilities	17,907	13,656
Employee benefits	187	7,476
Deferred tax liabilities	148,729	151,724
Trade and other payables	280,965	214,107
<b>Total non-current and deferred liabilities</b>	<b>2,806,540</b>	<b>2,986,931</b>
<b>Current liabilities</b>		
Loans and borrowings	373,528	448,689
Lease liabilities	2,142	3,667
Construction contract liabilities	750	750
Trade and other payables	1,136,703	1,120,237
Tax liabilities	24,772	25,823
<b>Total current liabilities</b>	<b>1,537,895</b>	<b>1,599,166</b>
<b>Total liabilities</b>	<b>4,344,435</b>	<b>4,586,097</b>
<b>Total equity and liabilities</b>	<b>4,512,614</b>	<b>4,634,354</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2024**

RM'000	Attributable to the owners of the Company								Non-controlling interests	Total equity
	Share capital	Other reserve	Warrant reserve	Foreign exchange translation reserve	Employees' Share Scheme	Treasury shares	Retained earnings	Total		
<b>At 1 July 2023</b>	197,536	686	27,889	(6,272)	1,506	(1,026)	(153,073)	67,246	(18,989)	48,257
Loss for the year	-	-	-	-	-	-	84,974	84,974	(6,328)	78,646
Foreign currency translation differences for foreign operations	-	11	-	(133)	-	-	-	(122)	2	(120)
Other reserve and non-controlling interest movement upon disposal of subsidiary	-	301	-	8,146	-	-	-	8,447	20,739	29,186
<b>Total comprehensive income/(loss) for the year</b>	-	<b>312</b>	-	<b>8,013</b>	-	-	<b>84,974</b>	<b>93,299</b>	<b>14,413</b>	<b>107,712</b>
Private placement of ordinary shares	12,210	-	-	-	-	-	-	12,210	-	12,210
<b>At 31 March 2024</b>	<b>209,746</b>	<b>998</b>	<b>27,889</b>	<b>1,741</b>	<b>1,506</b>	<b>(1,026)</b>	<b>(68,099)</b>	<b>172,755</b>	<b>(4,576)</b>	<b>168,179</b>

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

RM'000	Attributable to the owners of the Company								Non-controlling interests	Total equity
	Share capital	Other reserve	Warrant reserve	Foreign exchange translation reserve	Employees' Share Scheme	Treasury shares	Retained earnings	Total		
<b>At 1 July 2022</b>	197,536	650	27,889	11,745	1,506	(1,026)	(63,842)	174,458	(3,286)	171,172
Loss for the year	-	-	-	-	-	-	(89,231)	(89,231)	(14,656)	(103,887)
Foreign currency translation differences for foreign operations	-	36	-	(18,017)	-	-	-	(17,981)	(1,047)	(19,028)
<b>Total comprehensive loss for the year</b>	-	<b>36</b>	-	<b>(18,017)</b>	-	-	<b>(89,231)</b>	<b>(107,212)</b>	<b>(15,703)</b>	<b>(122,915)</b>
<b>At 30 June 2023</b>	<b>197,536</b>	<b>686</b>	<b>27,889</b>	<b>(6,272)</b>	<b>1,506</b>	<b>(1,026)</b>	<b>(153,073)</b>	<b>67,246</b>	<b>(18,989)</b>	<b>48,257</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2024**

RM'000	Cumulative quarter ended <u>9-month</u> 31.03.2024	Audited for year ended <u>12-month</u> 30.06.2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	85,417	(70,888)
Adjustments for:		
Accretion of fair value on non-current receivables	(36,561)	(51,000)
Interest income	(2,303)	(2,763)
Interest expenses	56,718	89,764
Employees' share scheme (gain)/expenses	-	448
Bad debt written-off	-	62
Amortisation of transaction costs	-	205
Depreciation of property, plant and equipment	7,853	33,127
Depreciation of right-of-use assets	1,260	8,536
Depreciation of investment properties	243	141
Amortisation of intangible assets	974	1,756
Impairment loss on receivables	-	13,008
Impairment of intangible assets	-	593
Share of loss of associates	-	162
Land held for development written-off	-	5,122
Reversal of development cost	-	15,174
Inventories written-off	139	69
Inventories written-down	-	5,246
Gain on disposal of property, plant and equipment - net	(1,230)	(1,833)
Gain on derecognition of right-of-use assets	-	(2,390)
Gain on disposal of subsidiary	189,188	-
Fair value loss arising from other investment	-	48
Fair value (gain)/loss arising from biological assets	-	521
<b>Operating profit before working capital changes</b>	<b>301,698</b>	<b>45,108</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in inventories	4,629	(6,642)
Decrease/(Increase) in construction contract assets	22,990	(36,778)
Decrease in property development costs	-	2,054
Increase in concession service assets	(105,526)	(89,000)
Increase/(Decrease) in trade and other receivables	(42,631)	47,837
(Decrease)/ Increase in trade and other payables	(84,043)	193,928
<b>Cash from operations</b>	<b>94,117</b>	<b>156,507</b>
Interest received	2,303	2,763
Income tax paid - net	(7,783)	(3,464)
<b>Net cash from operating activities</b>	<b>88,637</b>	<b>155,806</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE 9-MONTH PERIOD ENDED 31 MARCH 2024**

RM'000	Cumulative quarter ended <u>9-month</u> 31.03.2024	Audited for year ended <u>12-month</u> 30.06.2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of land held for development	(17,221)	(532)
Addition of property development costs	-	(3,918)
Proceeds from disposal of property, plant and equipment	-	442
Proceeds from terminated projects	-	4,640
Proceed from private placement	12,210	-
Purchase of property, plant and equipment	-	(13,780)
Repayment from affiliate companies	-	1,869
Advance to associate	-	(20)
<b>Net cash used in investing activities</b>	<b>(5,011)</b>	<b>(11,299)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Increase in pledged deposits/restricted cash	(216,096)	(102,141)
Interest paid	(54,854)	(128,197)
Additional/(repayment) of lease liabilities	2,726	(4,319)
Repayment of finance lease liabilities (net)	-	(5,278)
Advance from associate	-	53
Repayments to holding company	-	(484)
Advance from affiliate companies	-	1,398
Proceeds from drawdown of loans and borrowings	89,839	10,339
<b>Net cash from/(used in) financing activities</b>	<b>(178,385)</b>	<b>(228,629)</b>
Net decrease in cash and cash equivalents (carried down)	(94,759)	(84,122)
Effects of exchange difference on cash and cash equivalents	-	(76)
Cash and cash equivalents at beginning of the period	64,937	149,135
<b>Cash and cash equivalents at end of the period</b>	<b>(29,822)</b>	<b>64,937</b>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts:		
Deposits placed with licensed banks	89,915	72,335
Cash and bank balances	271,674	174,339
Short term investments	68,646	71,488
	<b>430,235</b>	<b>318,162</b>
Less:		
Bank overdrafts	(39,482)	(48,746)
Pledged deposits and cash and bank balances	(150,782)	(59,323)
Restricted cash and bank balances	(269,793)	(145,156)
<b>Cash and cash equivalents at end of the period</b>	<b>(29,822)</b>	<b>64,937</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 2023 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 2023.

**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 2023.

**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

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 2023 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.



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

**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 2024.

**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, cancellations, repurchases, resale and repayment of debts and equity securities 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>31.03.2024</b>								
<b>Revenue</b>								
External revenue	159,553	50,496	51,366	-	8,938	-	-	270,353
Inter-segment Revenue	-	-	1,209	-	-	14,838	(16,047)	-
<b>Total revenue</b>	<b>159,553</b>	<b>50,496</b>	<b>52,575</b>	<b>-</b>	<b>8,938</b>	<b>14,838</b>	<b>(16,047)</b>	<b>270,353</b>
<b>Results</b>								
Segment results	(34,900)	26,501	(13,985)	(27,904)	592	135,113	-	85,417
Interest income	464	1	4	-	21	1,813	-	2,303
Interest expenses	(16,010)	(16,984)	(4,987)	(18,559)	(178)	-	-	(56,718)
Non-cash income/ (expenses) (Note i)	1,009	36,561	220	-	-	189,188	-	226,978
Depreciation and amortisation of non-current assets	(1,222)	(87)	(2,765)	(5,617)	(597)	(42)	-	(10,330)
<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 (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)

**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 31.03.2024</b>	<b>Cumulative quarter ended 9-month 31.03.2023</b>
Employee retirement benefits provision	-	-
Accretion of fair value of non-current receivables	36,561	38,485
Amortisation of transaction costs	-	(1,032)
Gain/(Loss) on foreign exchange - unrealised	-	(5,930)
Gain on disposal of property, plant and equipment	1,229	1,169
Gain on disposal of subsidiary	189,188	-
<b>Total</b>	<b>226,978</b>	<b>32,692</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 2024 (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**

**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.

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 31.03.2024</b>	<b>Cumulative quarter ended 9-month 31.03.2023</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
- QMC Sdn. Bhd.	-	-
Sales to the following companies of which a director has substantial financial interests, and is also a director		
- MIM Waste Services Sdn. Bhd.	(23)	(138)
- Kemaman Quarry Sdn. Bhd.	-	(17)
<b>Non-trade</b>		
Administrative services charged by ultimate holding company	-	61
Insurance premium charged by ultimate holding company	78	448
Rental of land charged by a director of the Company	-	598
Security services charged by ultimate holding company	486	1,408

**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 RM93.9 million and a profit before tax (“PBT”) of RM2.7 million for the current quarter ended 31 March 2024, as compared to a revenue of RM98.1 million and PBT of RM9.3 million in the previous corresponding quarter ended 31 March 2023. The decrease in revenue by 4% is mainly due to lower revenue in the Engineering & Construction Division. Despite similar revenue in the current quarter, the Group registered lower PBT mainly due to losses recorded by Oil & Gas Division.

The Oil & Gas Division recorded revenue of RM18.5 million during the quarter, an increase of 26% from the revenue in the previous year’s corresponding quarter of RM14.7 million. The higher diesel throughput volume contributed to the higher revenue performance of the division. However, the division recorded loss before tax (“LBT”) of RM11.8 million in the current quarter, as compared to RM3.8 million LBT in the corresponding quarter of the previous financial year. Included in the LBT, is an annual maintenance dredging cost of RM11.2 million.

The Engineering & Construction Division reported a revenue of RM54.8 million and PBT of RM6.9 million in the current quarter as compared to a revenue of RM65.4 million and LBT of RM10.9 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 16%.

The Company had on 27 November 2023 disposed off its entire equity interest in P.T. Ichtiar Gusti Pudi (“PT IGP”). In the current quarter, there was no revenue and profit recorded in the Group’s result as compared to a revenue of RM2.9 million and LBT of RM16.8 million in the corresponding quarter of the previous financial year. The Group continues to review its commitments given by the Company before the disposal.

The Property Division reported a revenue of RM3.2 million and PBT of RM0.1 million in the current quarter as compared to a revenue of RM1.6 million and LBT of RM0.2 million in the corresponding quarter of the previous financial year.

The Group posted a PBT of RM2.7 million for the quarter as compared to a PBT of RM9.3 million recorded for the same quarter in FY2023. The Group’s PBT for the previous corresponding quarter includes unrealised forex exchange gain, and if excluding the gain, the Group would instead recorded an adjusted LBT of RM19.2 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**

<b>RM'000</b>	<b>Current quarter ended 31.03.2024</b>	<b>Preceding quarter ended 31.12.2023</b>	<b>Variance + / (-)</b>
Revenue	93,927	71,128	22,799
Profit/(Loss) before tax	2,725	101,325	(98,600)
Adjust: Forex (gain)/loss	-	(2,675)	2,675
Forex-adjusted profit/(loss) before tax	2,725	98,650	(95,925)

The Group's quarterly revenue increased to RM93.9 million, from RM71.1 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 lower PBT of RM2.7 million mainly due to losses from the Oil & Gas Division. The significantly better result in the preceding quarter was mainly contributed by net gain on disposal of PT IGP from plantation division of RM189m.

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

**3. PROSPECTS**

The Group has RM1.1 billion of outstanding order-book as at 31 March 2024 and continues to focus in increasing its order-book. The current outstanding balance will be able to sustain the Engineering and Construction Division in the next couple of years.

The Group is greatly encouraged by the Malaysian Government's announcement of the mid-term review 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 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 and Gas division saw the start of its drilling operation commencing at its supply base at the end of the quarter under review. The current drilling campaign will continue to provide positive contributions in the next 2 quarters.

The Group also benefits by the stable 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 practise 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.

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

Not applicable.



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

**5. TAXATION**

<b>RM'000</b>	<b>Cumulative quarter ended 9-month 31.03.2024</b>	<b>Cumulative quarter ended 9-month 31.03.2023</b>
Current tax expense	7,797	11,315
Deferred taxation	(1,026)	(364)
<b>Income tax expense</b>	<b>6,771</b>	<b>10,951</b>

**6. CORPORATE PROPOSALS**

There are no corporate proposals which have been announced by the Company but not completed as at 31 March 2024.

**7. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings (secured) as at 31 March 2024 are as follows:

<b>RM'000</b>	<b>Denominated in currency</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Bank overdrafts	RM	39,482	10,288	49,770
Trust receipts	RM	-	-	-
Revolving credits	RM	116,354	-	116,354
Revolving credits	USD	-	-	-
Term loans	RM	206,467	914,828	1,121,295
Term loans	USD	-	-	-
Finance lease liabilities	RM	957	686	1,643
Sukuk	RM	10,268	1,432,950	1,443,218
Bankers acceptance	RM	-	-	-
Invoice financing	RM	-	-	-
<b>Total</b>		<b>373,528</b>	<b>2,358,752</b>	<b>2,732,280</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 report, 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 2022, 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 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.

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

**8. MATERIAL LITIGATIONS (continued)**

AEON is claiming against Betanaz, amongst others, the return or payment of RM2,303,087 under the Tenancy Agreement and against AZRB, amongst others, the return of RM28,415,094 under the Commercial Agreement.

Betanaz has filed its Reply to Defence and Defence to Counter-claim on 19 April 2021 and AZRB has filed its Defence to the Counter-Claim and an Application to Strike Out the Counter-Claim on 7 May 2021. On 22 October 2021, the High Court allowed AZRB's striking out application against AEON's Counterclaim with costs. On 26 October 2021, AEON appealed to the Court of Appeal against the High Court Order dated 22 October 2021. On 9 May 2022, the Court of Appeal allowed AEON's appeal and set aside the Order of the High

Court dated 22 October 2021. As a result, AZRB was reinstated as the 2nd Defendant in AEON's Counterclaim.

On 01 June 2023, AEON filed 2 Applications against Betanaz and AZRB for specific discovery of a number of categories of documents ("Specific Discovery Applications"). Both AEON's Specific Discovery Applications were heard by the trial Judge on the first day of Trial on 06 July 2023, and were dismissed with costs in the cause.

The trial of the abovenamed action has since commenced on 6 to 7 July 2023 and continued on 1 September 2023, 23 to 24 November 2023, 12 January 2024, 23 to 24 January 2024, 18 to 19 January 2024 and 6 & 9 May 2024. The trial is scheduled to continue from 27 to 28 June 2024, 18 July 2024 and 23 & 28 August 2024.

**9. DIVIDEND**

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

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

**10. EARNINGS/(LOSS) PER SHARE**

The basic earnings/(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 <u>3-month</u> 31.03.2024</b>	<b>Comparative quarter ended <u>3-month</u> 31.03.2023</b>	<b>Cumulative quarter ended <u>9-month</u> 31.03.2024</b>	<b>Cumulative quarter ended <u>9-month</u> 31.03.2023</b>
Earnings/(Loss) attributable to owners of the Company	5,761	6,513	84,974	(63,747)
Weighted average number of ordinary shares in issue	657,741	598,098	633,090	598,098
<b>Earnings/(Loss) per share (sen)</b>	<b>0.88</b>	<b>1.09</b>	<b>13.42</b>	<b>(10.66)</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.