

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 1st quarter and period ended 30 September 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 2024 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 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

RM’000	Note	Current quarter ended 3-month 30.09.2024	Comparative quarter ended 3-month 30.09.2023	Cumulative quarter ended 3-month 30.09.2024	Cumulative quarter ended 3-month 30.09.2023
Revenue		85,242	105,298	85,242	105,298
Operating expenses	1	(76,487)	(114,927)	(76,487)	(114,927)
Other operating income		508	1,163	508	1,163
Loss from operating activities		9,263	(8,466)	9,263	(8,466)
Finance income		12,876	13,278	12,876	13,278
Finance expenses		(17,467)	(23,445)	(17,467)	(23,445)
Share of loss of associates		-	-	-	-
Profit/(Loss) before tax		4,672	(18,633)	4,672	(18,633)
Income tax expense		(4,243)	(2,420)	(4,243)	(2,420)
Profit/(Loss) for the period	2	429	(21,053)	429	(21,053)
Other comprehensive (loss)/income, net of tax					
Actuarial gain from employee benefits		-	(573)	-	(573)
Foreign currency translation differences for foreign operations		-	10,622	-	10,622
Total comprehensive income/(loss) for the period		429	(11,004)	429	(11,004)
(Loss)/Profit attributable to:					
Owners of the Company		(709)	(19,985)	(709)	(19,985)
Non-controlling interests		1,138	(1,068)	1,138	(1,068)
Profit/(Loss) for the period		429	(21,053)	429	(21,053)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

RM'000	Current quarter ended <u>3-month</u> 30.09.2024	Comparative quarter ended <u>3-month</u> 30.09.2023	Cumulative quarter ended <u>3-month</u> 30.09.2024	Cumulative quarter ended <u>3-month</u> 30.09.2023
Total comprehensive loss attributable to:				
Owners of the Company	(709)	(9,383)	(709)	(9,383)
Non-controlling interests	1,138	(1,621)	1,138	(1,621)
Total comprehensive loss for the period	429	(11,004)	429	(11,004)
Loss per ordinary share (sen)	(0.11)	(3.34)	(0.11)	(3.34)
Note 1:				
Operating expenses represents the following:				
Cost of sales	59,521	97,937	59,521	97,937
(Gain)/Loss on foreign exchange - unrealised	-	(8,857)	-	(8,857)
Other operating expenses	16,966	25,847	16,966	25,847
Total	76,487	114,927	76,487	114,927
Note 2:				
Loss for the period is arrived at after (crediting)/charging the following items:				
Interest income	(1,206)	(925)	(1,206)	(925)
Accretion of fair value of non-current receivables	(11,670)	(12,353)	(11,670)	(12,353)
Interest expenses	16,744	22,970	16,744	22,970
Depreciation and amortisation of non-current assets	1,168	2,424	1,168	2,424

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
 30 SEPTEMBER 2024**

RM'000	Unaudited as at 30.09.2024	Audited as at 30.06.2024
ASSETS		
Non-current assets		
Property, plant and equipment	337,072	339,240
Land held for development	55,186	54,644
Right-of-use assets	12,681	14,076
Investment properties	9,485	9,535
Intangible assets	50,181	50,181
Concession service assets	2,575,457	2,560,042
Investments in associates	1,168	1,168
Investments in financial assets	68	68
Deferred tax assets	3,456	3,456
Trade and other receivables	544,224	517,141
Total non-current assets	3,588,978	3,549,551
Current assets		
Inventories	10,442	11,160
Tax recoverable	1,377	2,317
Construction contract assets	100,589	136,481
Trade and other receivables	195,375	206,894
Short term investment	15,650	15,390
Cash and deposits	442,180	435,144
Total current assets	765,613	807,386
Total assets	4,354,591	4,356,937

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
 30 SEPTEMBER 2024**

RM'000	Unaudited as at 30.09.2024	Audited as at 30.06.2024
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	237,635	237,635
Reserves	(38,811)	(38,103)
Equity attributable to owners of the Company	198,824	199,532
Non-controlling interests	(7,323)	(8,462)
Total equity	191,501	191,070
Non-current and deferred liabilities		
Loans and borrowings	2,479,830	2,423,737
Lease liabilities	5,619	9,684
Deferred tax liabilities	141,780	141,780
Trade and other payables	318,923	307,427
Total non-current and deferred liabilities	2,946,152	2,882,628
Current liabilities		
Loans and borrowings	346,198	350,193
Lease liabilities	7,100	4,126
Construction contract liabilities	750.00	1,365
Trade and other payables	825,064	889,969
Tax liabilities	37,826	37,586
Total current liabilities	1,216,938	1,283,239
Total liabilities	4,163,090	4,165,867
Total equity and liabilities	4,354,591	4,356,937

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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 2024	237,635	686	-	18,674	1,506	(1,026)	(57,943)	199,532	(8,462)	191,070
Loss for the year	-	-	-	-	-	-	(709)	(709)	1,138	429
Foreign currency translation differences for foreign operations										
Other reserve and non-controlling interest movement upon disposal of subsidiary										
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	(709)	(5,398)	1,138	(4,260)
Private placement of ordinary shares										
At 30 September 2024	237,635	686	-	18,674	1,506	(1,026)	(58,652)	198,824	(7,323)	191,501

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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 2023	197,536	686	27,889	(6,272)	1,506	(1,026)	(153,073)	67,246	(18,989)	48,257
Loss for the year	-	-	-	-	-	-	95,130	95,130	(11,329)	83,801
Foreign currency translation differences for foreign operations	-	-	-	(417)	-	-	-	(417)	-	(417)
Other reserve and non-controlling interest movement upon disposal of subsidiary	-	-	-	25,363	-	-	-	25,363	21,856	47,219
Total comprehensive income/(loss) for the year	-	-	-	24,946	-	-	95,130	120,076	10,527	130,603
Private placement of ordinary shares	12,210	-	-	-	-	-	-	12,210	-	12,210
Warrant expired	27,889	-	(27,889)	-	-	-	-	-	-	-
At 30 June 2024	237,635	686	-	18,674	1,506	(1,026)	(57,943)	199,532	(8,462)	191,070

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

RM'000	Cumulative quarter ended <u>3-month</u> 30.09.2024	Audited for year ended <u>12-month</u> 30.06.2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	4,672	109,737
Adjustments for:		
Accretion of fair value on non-current receivables	(11,670)	(48,407)
Interest income	(1,206)	(3,203)
Interest expenses	16,744	83,164
Grant income recognised	-	(177)
Bad debt written-off	-	2,599
Amortisation of transaction costs	-	523
Depreciation of property, plant and equipment	698	21,973
Depreciation of right-of-use assets	420	3,880
Depreciation of investment properties	50	191
Amortisation of intangible assets	-	1,361
Impairment loss on property, plant and equipment	-	2,277
Impairment loss on contract assets	-	4,626
Impairment loss on receivables	-	237,546
Share of gain/(loss) of associates	-	1,471
Inventories written-off	-	17
Gain on disposal of property, plant and equipment - net	(50)	(1,645)
Gain on disposal of subsidiary	-	(423,515)
Unrealised (gain)/loss on forex	-	(274)
Operating profit before working capital changes	9,658	(7,856)
Changes in working capital:		
(Increase)/decrease in inventories	718	3,029
(Increase)/decrease in construction contract assets	35,277	26,146
Decrease/(increase) in property development costs	-	5,561
Increase in concession service assets	(15,415)	-
Increase in trade and other receivables	7,253	(132,763)
Increase/(Decrease) in trade and other payables	12,635	88,517
Cash from operations	50,126	(17,366)
Interest received	1,206	-
Income tax (paid)/refund - net	(7,783)	(10,932)
Net cash from operating activities	43,549	(28,298)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

RM'000	Cumulative quarter ended <u>3-month</u> 30.09.2024	Audited for year ended <u>12-month</u> 30.06.2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of land held for development	(492)	(1,091)
Addition of property development costs	-	(4,688)
Proceeds from disposal of property, plant and equipment	-	1,645
Purchase of right-of-use assets	-	(900)
Purchase of property, plant and equipment	-	(2,580)
Repayment from affiliate companies	-	360
Repayment/(Advance) from/to associate	-	(1)
Disposal of a subsidiary	-	(87)
Interest received	-	3,203
Repayment to ultimate holding company	-	(77)
Addition of Concession services assets	-	(130,329)
Net cash from investing activities	(14,494)	(134,545)
CASH FLOWS USED IN FINANCING ACTIVITIES		
(Increase)/Decrease in pledged fixed deposits	(108,933)	(15,202)
Interest paid	(19,805)	(83,164)
Issuance of shares	(1,091)	12,210
Additional/(repayment)of lease liabilities	-	(3,749)
Additional/(repayment)of finance lease liabilities (net)	-	(1,963)
Repayment to associate	-	(47)
Repayment to ultimate holding company	-	(1,341)
Repayment to affiliate	(3,995)	3,391
Repayment to directors	-	104
Proceeds/(repayment) from drawdown of loans and borrowings	-	338,941
Net cash used in financing activities	(133,824)	249,180
Net increase/(decrease) in cash and cash equivalents (carried down)	(90,767)	86,337
Effects of exchange difference on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	151,274	64,937
Cash and cash equivalents at end of the period	60,507	151,274

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

RM'000	Cumulative quarter ended <u>3-month</u> 30.09.2024	Audited for year ended <u>12-month</u> 30.06.2024
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts:		
Deposits placed with licensed banks	149,002	161,079
Cash and bank balances	293,178	274,065
Short term investments	15,650	15,390
	457,829	450,534
Less:		
Bank overdrafts	(68,708)	(79,578)
Pledged deposits and cash and bank balances	(328,615)	(219,682)
Cash and cash equivalents at end of the period	60,507	151,274

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 2024 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 2024.

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 2024.

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 ¹
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¹ 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 2024 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 30 September 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 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
3-month								
30.09.2024								
Revenue								
External revenue	36,111	19,925	25,062	-	4,144	-	-	85,242
Inter-segment Revenue	-	-	1,209	-	-	14,838	(16,047)	-
Total revenue	36,111	19,925	26,271	-	4,144	14,838	(16,047)	85,242
Results								
Segment results	(8,615)	9,213	5,845	(1)	324	(2,094)	-	4,672
Interest income	15	956	2	-	4	229	-	1,206
Interest expenses	(9,220)	(5,661)	(1,678)	-	(185)	-	-	(16,744)
Non-cash income/ (expenses) (Note i)	50	11,670	-	-	-	-	-	11,720
Depreciation and amortisation of non-current assets	(360)	(44)	(594)	-	(157)	(13)	-	(1,168)
3-month								
30.09.2023								
Revenue								
External revenue	70,964	14,946	16,668	-	2,721	-	-	105,298
Inter-segment revenue	-	-	1,209	-	-	14,838	(16,047)	-
Total revenue	70,964	14,946	17,877	-	2,721	14,838	(16,047)	105,298
Results								
Segment results	(6,387)	7,629	(750)	(17,166)	136	(2,093)	-	(18,631)
Interest income	85	-	1	-	5	834	-	925
Interest expenses	(7,447)	(5,691)	(1,577)	(8,194)	(61)	-	-	(22,970)
Non-cash income (Note i)	902	12,354	-	(2,667)	-	-	-	10,589
Depreciation and amortisation of non-current assets	(396)	(29)	(1,016)	(797)	(186)	-	-	(2,424)

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

9. SEGMENT REPORTING (continued)

Note i:

RM'000	Cumulative quarter ended 3-month 30.09.2024	Cumulative quarter ended 3-month 30.09.2023
Accretion of fair value of non-current receivables	11,670	12,354
Amortisation of transaction costs	-	-
Gain/(Loss) on foreign exchange - unrealised	-	(2,667)
Gain on disposal of property, plant and equipment	50	902
Total	11,720	10,589

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 26th November 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 up to the date of this announcement other than the striking off of Peak Crops Sdn Bhd on 18 November 2024, a dormant subsidiary in which the Group held 60% interest.

13. CONTINGENT LIABILITIES

There were no material contingent liabilities in the period under review.

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:

RM'000	Cumulative quarter ended 3-month 30.09.2024	Cumulative quarter ended 3-month 30.09.2023
Trade		
Purchases from following companies in which a director has substantial financial interests, and is also a director:		
- Kemaman Quarry Sdn. Bhd.	-	-
- QMC Sdn. Bhd.	-	-
- MIM Waste Services Sdn. Bhd.	470	-
Sales to the following companies of which a director has substantial financial interests, and is also a director:		
- MIM Waste Services Sdn. Bhd.	-	(138)
- Kemaman Quarry Sdn. Bhd.	-	(54)
Non-trade		
Administrative services charged by ultimate holding company	311	41
Insurance premium charged by ultimate holding company	4	297
Rental of land charged by a director of the Company	193	580
Security services charged by ultimate holding company	-	825

**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 RM85.2 million and a profit before tax ("PBT") of RM4.7 million for the current quarter ended 30 September 2024. In contrast, the Group recorded a revenue of RM105.3 million and a loss before tax ("LBT") of RM18.6 million in the previous corresponding quarter ended 30 September 2023. However, the results of the previous corresponding quarter ended 30 September 2023 included the Group's former Plantation Division, which was disposed off in the 2nd quarter of the previous financial year. Excluding the results of the discontinued Plantation business, the Group recorded revenue of RM105.3 mil and an adjusted LBT of 1.5 million for the previous corresponding quarter ended 30 September 2023.

The Oil & Gas Division recorded revenue of RM25.1 million during the quarter, an increase of 50% from the revenue in the previous year's corresponding quarter of RM16.7 million. The increase is contributed by the higher activities at the supply base. The division recorded PBT of RM5.8 million in the current quarter, as compared to RM0.8 million LBT in the corresponding quarter of the previous financial year.

The Engineering & Construction Division reported a revenue of RM36.1 million and LBT of RM8.6 million in the current quarter as compared to a revenue of RM71.0 million and LBT of RM6.4 million in the corresponding quarter of FY2024, representing a decrease in revenue of more than 49%.

The Property Division reported a revenue of RM4.1 million and PBT of RM0.3 million in the current quarter as compared to a revenue of RM2.7 million and PBT of RM0.1 million in the corresponding quarter of the previous financial year.

**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

RM'000	Current quarter ended 30.09.2024	Preceding quarter ended 30.06.2024	Variance + / (-)
Revenue	85,242	96,806	(11,564)
(Loss)/Profit before tax	4,672	12,472	(7,800)

The Group's quarterly revenue decreased from RM96.8 mil to RM85.2 million and Profit Before Tax reduced from RM12.5 mil to RM4.7 mil mainly due to lower revenue generated by the Engineering & Construction Division.

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

3. PROSPECTS

The Group has current order book balance of RM1.0 billion as at 30 September 2024 and continues to focus in increasing its order-book. The current order book balance will be able to sustain the Engineering and Construction Division for 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.

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 hosted the first drilling campaign out of the supply base at the end of the 3rd quarter of previous year. With the success of that campaign, the division expects more drilling operations to be based out from the supply base in the future.

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

RM'000	Cumulative quarter ended 3-month 30.09.2024	Cumulative quarter ended 3-month 30.09.2023
Current tax expense	4,243	2,541
Deferred taxation	-	(121)
Income tax expense	4,243	2,420

6. CORPORATE PROPOSALS

The Company had announced on 1 November 2024, a proposal to undertake a private placement of up to 10% of the total number of its issued shares. The proceed from the issuance of up to 65,607,828 new ordinary shares will be utilized to fund the Group's projects.

7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings (secured) as at 30 September 2024 are as follows:

RM'000	Denominated in currency	Current	Non-current	Total
Bank overdrafts	RM	68,708	9,978	78,686
Trust receipts	RM	-	-	-
Revolving credits	RM	111,651	-	111,651
Revolving credits	USD	-	-	-
Term loans	RM	32,750	1,086,747	1,119,497
Term loans	USD	-	-	-
Finance lease liabilities	RM	742	945	1,687
Sukuk	RM	134,328	1,382,160	1,516,488
Bankers acceptance	RM	-	-	-
Invoice financing	RM	-	-	-
Total		348,179	2,479,830	2,828,009

**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 July 2023 and continued in several sessions until 28 August 2024. The decision of the matter is fixed on 16.12.2024.

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. 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:

RM'000	Current quarter ended <u>3-month</u> 30.09.2024	Comparative quarter ended <u>3-month</u> 30.09.2023	Cumulative quarter ended <u>3-month</u> 30.09.2024	Cumulative quarter ended <u>3-month</u> 30.09.2023
Loss attributable to owners of the Company	(709)	(19,985)	(709)	(19,985)
Weighted average number of ordinary shares in issue	657,741	598,098	657,741	598,098
Loss per share (sen)	(0.11)	(3.34)	(0.11)	(3.34)

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.