

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	As At 30.9.2013 RM'000 (Unaudited)	As At 30.6.2013 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	17,937	18,336
Product development costs	2,797	2,852
Investment properties	19,410	19,362
Investment in unquoted shares	5,000	5,000
Timber concessions	833	1,888
Amount owing by an associated company	18,274	19,120
Deferred tax assets	4,253	4,253
Goodwill on consolidation	4,535	4,535
Advances for log purchases	19,764	19,531
Total non-current assets	92,803	94,877
Current Assets		
Inventories	7,806	7,750
Amount owing by an associated company	14,026	13,344
Trade and other receivables	8,430	7,386
Accrued billing	-	277
Current tax assets	16	15
Other assets	1,778	1,871
Fixed deposits, cash and bank balances	779	432
Total current assets	32,835	31,075
Total assets	125,638	125,952
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	120,874	120,874
Share premium	4,764	4,764
Retained earnings	(25,945)	(26,338)
Equity attributable to owners of the Parent	99,693	99,300
Non-controlling interest	(312)	(438)
Total equity	99,381	98,862
Non-Current Liabilities		
Hire-purchase payables	314	354
Borrowings	92	103
Deferred tax liabilities	4,812	5,079
Total non-current liabilities	5,218	5,536

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
AS AT 30 SEPTEMBER 2013
[CONTINUED]

	As At 30.9.2013 RM'000 (Unaudited)	As At 30.6.2013 RM'000 (Audited)
Current Liabilities		
Trade and other payables	1,742	960
Hire-purchase payables	125	154
Borrowings	18,293	19,797
Other liabilities	879	643
Total current liabilities	21,039	21,554
Total liabilities	26,257	27,090
Total equity and liabilities	125,638	125,952
Net Assets per Share (RM)	0.41	0.41

*The accompanying Notes to Interim Financial Report form an integral part of the
Condensed Consolidated Statement of Financial Position*

LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013
(UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2013 RM'000	Preceding Year Corresponding Quarter 30.9.2012 RM'000	Current Year To Date 30.9.2013 RM'000	Preceding Year Corresponding Period 30.9.2012 RM'000
Continuing operations				
Revenue	7,308	6,065	7,308	6,065
Investment revenue	730	936	730	936
Other gains and losses	55	10	55	10
Other operating income	-	7	-	7
Changes in inventories of finished goods and work-in-progress	(68)	2,250	(68)	2,250
Raw materials and consumables used	(122)	31	(122)	31
Employee benefits expenses	(1,143)	(1,211)	(1,143)	(1,211)
Depreciation of property, plant and equipment	(420)	(437)	(420)	(437)
Amortisation of intangible assets	(55)	(55)	(55)	(55)
Amortisation of timber concession	(1,055)	(1,595)	(1,055)	(1,595)
Contract cost recognised	(2,414)	(1,304)	(2,414)	(1,304)
Other operating expenses	(2,329)	(4,300)	(2,329)	(4,300)
Profit from operations	487	397	487	397
Finance costs	(235)	(292)	(235)	(292)
Profit before tax	252	105	252	105
Tax credit	267	3	267	3
Net profit and total comprehensive income for the financial period	519	108	519	108
Profit/(Loss) and total comprehensive profit/(loss) attributable to:				
Owners of the parent	393	(170)	393	(170)
Non-controlling interest	126	278	126	278
	519	108	519	108
Basic/diluted earnings/(loss) per share attributable to owners of the parent (sen)	0.16	(0.07)	0.16	(0.07)

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Comprehensive Income

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013
(UNAUDITED)

	Attributable to owners of the Parent Distributable			Non- controlling Interest	Total
	Share Capital RM'000	Retained Earnings RM'000	Share Premium RM'000	RM'000	RM'000
2013					
At 1 July 2013	120,874	(26,338)	4,764	(438)	98,862
Net profit and total comprehensive income for the financial period	-	393	-	126	519
At 30 September 2013	<u>120,874</u>	<u>(25,945)</u>	<u>4,764</u>	<u>(312)</u>	<u>99,381</u>
2012					
At 1 July 2012	120,874	(26,814)	4,764	(630)	98,194
Net profit and total comprehensive income for the financial period	-	476	-	192	668
At 30 June 2013	<u>120,874</u>	<u>(26,338)</u>	<u>4,764</u>	<u>(438)</u>	<u>98,862</u>

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Changes in Equity

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013
(UNAUDITED)

	Current Year To Date 30.9.2013 RM'000	Preceding Year Corresponding Period 30.6.2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit for the period	519	668
Adjustments for:		
Amortisation of timber concession	1,055	5,075
Write down of inventories	-	981
Depreciation of property, plant and equipment	436	1,815
Finance costs	235	1,282
Amortisation of intangible assets	55	219
Unrealised gain on foreign currency exchange	(8)	(9)
Bad debts written off	-	1
Income tax credit recognised in profit or loss	(267)	(1,503)
Interest arising from amortization of financial assets	(730)	(3,438)
Dividend income from preference shares	-	(500)
Gain on disposal of property, plant and equipment	(25)	(16)
Interest income	-	(1)
	<hr/> 1,270	<hr/> 4,574
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(56)	(3,028)
Trade and other receivables	(1,035)	12,341
Accrued billing	277	(277)
Amount owing by an associate	661	5,423
Other assets	92	1,394
(Decrease)/Increase in:		
Trade and other payables	781	(9,458)
Amount owing to an associate	-	(873)
Other liabilities	235	(1,100)
	<hr/> 2,225	<hr/> 8,996
Cash From Operations		
	2,225	8,996
Income tax refunded	-	2,267
Income tax paid	(1)	(4)
	<hr/> 2,224	<hr/> 11,259
Net Cash From Operating Activities		

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

(UNAUDITED)

[CONTINUED]

	Current Year To Date 30.9.2013 RM'000	Preceding Year Corresponding Period 30.6.2013 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	79	16
Interest received	-	1
Advances of logs purchases refunded	-	1,066
Purchase of property, plant and equipment	(91)	(279)
Additions to investment properties	(47)	(188)
Placement of fixed deposits	-	(126)
Acquisition of a subsidiaries	-	(7,551)
Net Cash Used In Investing Activities	<u>(59)</u>	<u>(7,061)</u>
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Finance costs paid	(235)	(1,282)
Repayment of bankers' acceptances and trust receipts	(475)	(1,317)
Repayment of term loans	(9)	(4,421)
Repayment of hire-purchase payables - net	(70)	(233)
Proceeds from/(Repayment of) bank overdraft	(1,030)	3,948
Proceeds from short-term revolving credits	-	6,000
Net Cash from/(Used In) Financing Activities	<u>(1,819)</u>	<u>2,695</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	346	6,893
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	266	(6,627)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>612</u>	<u>266</u>
Cash and cash equivalents comprise:		
Bank and cash balances	612	266
Fixed deposits	166	166
	<u>778</u>	<u>432</u>
Fixed deposits pledged for banking facilities	(166)	(166)
	<u>612</u>	<u>266</u>

*The accompanying Notes to Interim Financial Report form an integral part of the
Condensed Consolidated Statement of Cash Flows*

LEWEKO RESOURCES BERHAD

Company No. 568420-K
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NOTES TO INTERIM FINANCIAL REPORT FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with MFRS 134: Interim Financial Reporting, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report should be read in conjunction with the audited financial statements for the financial period ended 30 June 2013. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2013. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with MFRSs.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 30 June 2013, except for the adoption of the following MFRSs, IC Interpretations and Amendments to MFRSs with effect from 1 January 2013:

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans [Amendments to MFRS 1]
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle [Amendments to MFRS 1]
MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities [Amendments to MFRS 7]
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements : Transition Guidance [Amendments to MFRS 10]
MFRS 11	Joint Arrangements
MFRS 11	Joint Arrangements : Transition Guidance [Amendments to MFRS 11]
MFRS 12	Disclosure of Interests in Other Entities
MFRS 12	Disclosure of Interests in Other Entities [Amendments to MRFS 12]
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements – Annual Improvements 2009-2011 Cycle [Amendments to MFRS 101]
MFRS 116	Property, Plant and Equipment – Annual Improvements 2009-2011 Cycle [Amendments to MFRS 116]
MFRS 119	Employee Benefits
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Financial Instruments: Presentation – Annual Improvements 2009-2011 Cycle [Amendments to MFRS 132]
MFRS 134	Interim Financial Reporting – Annual Improvements 2009-2011 Cycle [Amendments to MFRS 134]

The Board anticipates that the adoption of these MFRSs, IC Interpretations and Amendments to MFRSs will have no material financial impact on the financial statements of the Group.

LEWEKO RESOURCES BERHAD

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3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 30 June 2013 was not qualified.

4. Seasonality or Cyclical Factors

The Group's performance could be affected by the rainy season during which its logging and log trading activities would be hampered.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

6. Changes in Estimates

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

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter.

8. Dividends Paid

No dividends have been paid during the current financial year to date.

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LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

9. Segmental Information**(a) Segment Revenue**

	Current Financial Quarter			Current Financial Year To Date		
	External RM'000	Inter-segment RM'000	Total RM'000	External RM'000	Inter-segment RM'000	Total RM'000
Log trading, sawn and moulded timber	4,157	-	4,157	4,157	-	4,157
Precast concrete products	3,151	-	3,151	3,151	-	3,151
Property development	-	-	-	-	-	-
Others	84	(84)	-	84	(84)	-
	<u>7,392</u>	<u>(84)</u>	<u>7,308</u>	<u>7,392</u>	<u>(84)</u>	<u>7,308</u>

(b) Segment Results

	RM'000	RM'000
Log trading, sawn and moulded timber	33	33
Precast concrete products	254	254
Property development	(52)	(52)
Others	252	252
	<u>487</u>	<u>487</u>
Finance costs	(235)	(235)
Profit before tax	252	252
Tax credit	267	267
Net profit from continuing operations	<u>519</u>	<u>519</u>

LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

10. Valuations of Property, Plant and Equipment

There were no valuations of property, plant and equipment brought forward from the previous annual financial statements. The property, plant and equipment are stated at their historical cost less accumulated depreciation.

11. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter which has not been reflected in the interim financial report.

12. Changes in the Composition of the Group

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

13. Changes in Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets since the end of the last financial period.

14. Capital Commitments

The Group has no capital commitments as at the end of the current financial quarter.

15. Performance Review

For the quarter under review, The Group registered consolidated revenue and profit after tax ("PAT") of RM7.31 million and RM0.52 million respectively as compared to a revenue of RM6.07 and PAT of RM0.11 million in the preceding year's corresponding quarter. Both timber and precast concrete divisions recorded higher revenue as compared to preceding year's corresponding quarter. The higher PAT recorded in the current quarter were mainly contributed by the improvements in timber division.

The log trading, sawn and moulded timber division recorded revenue of RM4.16 million, an increase of 10.3% from RM3.77 million recorded in the preceding year's corresponding quarter. The increase in revenue was mainly due to the higher trading activities of sawn and moulded timber as compared to the preceding year's corresponding quarter. Accordingly, this division was able to turn around and recorded a marginal profit before tax ("PBT") of RM0.03 million as compared to the loss before tax ("LBT") of RM0.58 million recorded in the preceding year's corresponding quarter.

The precast concrete division recorded revenue of RM3.15 million as compared to RM2.23 million recorded in the preceding year's corresponding quarter. This was mainly due to the higher workdone during the current financial quarter. However the division recorded a lower PBT of RM0.25 million as compared to the PBT of RM0.57 million in the preceding year's corresponding quarter as the results of lower profit margin achieved in the reporting quarter.

The property division recorded LBT of RM0.05 million. There was no revenue recognized in this division as the Group has yet to commence its construction of property projects. The loss recorded in this division was mainly due to the preliminary expenses and finance charges incurred during the quarter under review

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LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

16. Comparison of Results with Preceding Quarter

For the quarter under review, The Group registered consolidated revenue and PAT of RM7.31 million and RM0.52 million respectively as compared to a revenue of RM7.21 million and PAT of RM0.29 million in the preceding quarter.

The log trading, sawn and moulded timber division recorded revenue of RM4.16 million as compared to RM5.90 million recorded in the preceding quarter. However, this division was able to turn around and recorded a marginal PBT of RM0.03 million as compared to the LBT of RM0.13 million recorded in the preceding quarter mainly due to the higher trading activities of sawn and moulded timber.

The precast concrete division recorded revenue of RM3.15 million as compared to RM1.31 million recorded in the preceding quarter. This was mainly contributed by the higher workdone during the current financial quarter. The division recorded a PBT of RM0.25 million as compared to the LBT of RM0.02 million in the preceding quarter in tandem with the increased in revenue.

The property division recorded LBT of RM0.05 million as compared to LBT of RM0.01 million recorded in the preceding quarter. There was no revenue recognized in this division as the Group has yet to commence its construction of its property projects. The loss recorded in this division was mainly due to the preliminary expenses and finance charges incurred during the quarter under review.

17. Commentary on Prospects

The performance of the Group's sawn and moulded division was adversely affected by the lower production output and under utilisation of plant's capacity due to the sluggish demand of tropical timber. The Group is continuously review its strategy to diversify its product mix and market.

The Group's precast concrete division continuously reported positive results even though the current quarter results were affected by lower profit margin. On the long term strategy planning, the Group is focusing to increase its order book and plant utilisation. This division is expected to contribute positively to the Group in the future.

The Group is currently conducted preliminary works for the launching of its property projects in Ipoh. The property division is expected to be another source of income for the Group in the future.

Given the above circumstances and measures taken by the Group, the Board is fairly confident the Group's performance will be improved in the near term.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

19. Tax Credit

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Deferred taxation		
Current financial year	267	267
	267	267

LEWEKO RESOURCES BERHAD

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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

20. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments and/or properties during the current financial quarter.

21. Quoted Securities

(a) There were no purchases or disposals of quoted securities during the current financial quarter.

(b) The Group has no quoted securities as at the end of the current financial quarter.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 13 November 2013.

23. Borrowings and Debt Securities

	Secured RM'000	Total RM'000
Short term borrowings	18,418	18,418
Long term borrowings	406	406
	<u>18,824</u>	<u>18,824</u>

All of the above borrowings are denominated in Malaysian Ringgit.

24. Off Balance Sheet Financial Instruments

The Group has no off balance sheet financial instruments as at 13 November 2013.

25. Changes in Material Litigations

Maju Weko Timber Industries Sdn. Bhd. ["MWTI"] vs. Irni Hana binti Mohd Ramli t/a Akrab Timber ["Defendant"]

On 29 April 2009, MWTI filed a summons to the Ipoh Sessions Court to recover a sum of approximately RM228,000 for goods sold and delivered to the Defendant.

The bankruptcy proceedings against the Defendant which was initiated by MWTI is still in progress.

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LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013****26. Related Party Transactions**

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Rental of premises paid to Limbongan Bersama Sdn. Bhd., a company in which certain directors of the Company have interests	27	27
Rental of premises paid to Jurang Hijau Sdn. Bhd., a company in which persons connected with a director of the Company have interests	5	5

27. Basic/Diluted Profit Per Share

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Net profit attributable to owners of the parent	393	393
Weighted average number of ordinary shares in issue ('000)	241,748	241,748
Basic/diluted profit per share (sen)	0.16	0.16

28. Dividends Payable

No interim dividend has been declared or recommended for the current financial quarter.

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LEWEKO RESOURCES BERHAD

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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

29. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date into realised and unrealised profits, is as follows:-

	As At 30.9.2013 RM'000	As At 30.6.2013 RM'000
Total retained earnings of the Leweko Resources Berhad and its subsidiary companies		
Realised	29,869	29,975
Unrealised	567	(835)
	<hr/> 30,436	<hr/> 29,140
Consolidated adjustments	(56,381)	(55,478)
Total Group's retained earnings as per statement of financial position	<hr/> <hr/> <u>(25,945)</u>	<hr/> <hr/> <u>(26,338)</u>

By order of the Board,

Chan Chee Kheong
Company Secretary

20 November 2013