

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

| | As At 31.03.2017 RM'000 (Unaudited) | As At 30.6.2016 RM'000 (Audited) |
|--|--|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 7,744 | 7,284 |
| Product development costs | 2,013 | 2,194 |
| Investment properties | 20,186 | 19,309 |
| Land held for property development | 5,649 | 5,748 |
| Investment in associated company | 7,365 | 7,365 |
| Amount owing by an associated company | 8,917 | 17,118 |
| Deferred tax assets | 4,253 | 4,253 |
| Goodwill on consolidation | 4,535 | 4,535 |
| Advances for log purchases | 14,535 | 14,535 |
| Total non-current assets | 75,197 | 82,341 |
| Current Assets | | |
| Property development projects | 18,023 | 11,886 |
| Inventories | 3,547 | 5,334 |
| Amount owing by an associated company | 14,542 | 6,342 |
| Trade and other receivables | 23,189 | 20,109 |
| Current tax assets | 12 | 10 |
| Other assets | 17,152 | 16,851 |
| Fixed deposits, cash and bank balances | 582 | 1,734 |
| | 77,047 | 62,266 |
| Assets classified as held for sale | 7,736 | 7,736 |
| Total current assets | 84,783 | 70,002 |
| Total assets | 159,980 | 152,343 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 64,379 | 64,379 |
| Share premium | 4,764 | 4,764 |
| Retained earnings | 34,753 | 34,650 |
| Equity attributable to owners of the Parent | 103,896 | 103,793 |
| Non-controlling interest | 2,018 | 1,010 |
| Total equity | 105,914 | 104,803 |
| Non-Current Liabilities | | |
| Hire-purchase payables | 697 | 371 |
| Borrowings | 15,805 | 16,837 |
| Deferred tax liabilities | 4,812 | 4,812 |
| Deferred revenue | 1,052 | 274 |
| Total non-current liabilities | 22,366 | 22,294 |

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
AS AT 31 MARCH 2017
[CONTINUED]

| | As At 31.03.2017 RM'000 (Unaudited) | As At 30.6.2016 RM'000 (Audited) |
|-------------------------------------|--|---|
| Current Liabilities | | |
| Trade and other payables | 10,511 | 6,895 |
| Advanced billing | 1,149 | 1,431 |
| Hire-purchase payables | 102 | 203 |
| Borrowings | 17,099 | 15,667 |
| Current tax liabilities | - | 471 |
| Other liabilities | 2,839 | 579 |
| Total current liabilities | 31,700 | 25,246 |
| Total liabilities | 54,066 | 47,540 |
| Total equity and liabilities | 159,980 | 152,343 |
| | | |
| Net Assets per Share (RM) | 0.33 | 0.33 |

*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 31 MARCH 2017
(UNAUDITED)**

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|---|
| | Current Year Quarter 31.03.2017 RM'000 | Preceding Year Corresponding Quarter 31.03.2016 RM'000 | Current Year To Date 31.03.2017 RM'000 | Preceding Year Corresponding Period 31.03.2016 RM'000 |
| Revenue | 11,002 | 5,135 | 30,154 | 15,458 |
| Investment revenue | 174 | 966 | 174 | 2,627 |
| Other gains and losses | 12 | 18 | 38 | 32 |
| Other operating income | 91 | 70 | 104 | 186 |
| Employee benefits expenses | (1,203) | (1,157) | (2,981) | (2,919) |
| Depreciation of property, plant and equipment | (128) | (186) | (427) | (547) |
| Amortisation of intangible assets | (38) | (39) | (180) | (149) |
| Property development expenditure | (4,250) | (1,606) | (12,104) | (4,222) |
| Contract cost recognized | (3,403) | (1,729) | (8,291) | (5,320) |
| Other operating expenses | (714) | (443) | (1,556) | (1,605) |
| Profit from operations | 1,543 | 1,029 | 4,931 | 3,541 |
| Finance costs | (319) | (321) | (978) | (999) |
| Profit before tax | 1,224 | 708 | 3,953 | 2,542 |
| Tax expenses | (57) | (184) | (57) | (184) |
| Profit and total comprehensive / income for the financial period from continuing operations | 1,167 | 524 | 3,896 | 2,358 |
| Loss and total comprehensive loss for the period from discontinued operations | (1,574) | (431) | (2,785) | (1,468) |
| Net (loss)/profit and total comprehensive income for the financial period | (407) | 93 | 1,111 | 890 |
| (Loss)/Profit and total comprehensive profit attributable to: | | | | |
| Owners of the parent | (973) | 39 | 103 | 588 |
| Non-controlling interest | 566 | 54 | 1,008 | 302 |
| | (407) | 93 | 1,111 | 890 |
| Basic/diluted (loss)/profit per share attributable to owners of the parent (sen) | (0.30) | 0.01 | 0.03 | 0.18 |

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

LEWEKO RESOURCES BERHAD

Company No. 568420-K

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL QUARTER ENDED 31 MARCH 2017
(UNAUDITED)**

| | Attributable to owners of the Parent | | | Non-controlling Interest RM'000 | Total RM'000 |
|--|--------------------------------------|-----------------------------|-------------------------|------------------------------------|-----------------|
| | Share Capital RM'000 | Retained Earnings RM'000 | Share Premium RM'000 | | |
| 2017 | | | | | |
| At 1 July 2016 | 64,379 | 34,651 | 4,764 | 1,010 | 104,804 |
| Net profit and total comprehensive income for the financial period | - | 103 | - | 1,008 | 1,111 |
| At 30 June 2017 | <u>64,379</u> | <u>34,754</u> | <u>4,764</u> | <u>2,018</u> | <u>105,915</u> |
| 2016 | | | | | |
| At 1 July 2015 | 48,350 | 42,857 | 4,764 | 1,290 | 97,261 |
| Net loss and total comprehensive income for the financial year end | - | (8,206) | - | (280) | (8,486) |
| Right Issues | 16,029 | - | - | - | 16,029 |
| At 30 June 2016 | <u>64,379</u> | <u>34,651</u> | <u>4,764</u> | <u>1,010</u> | <u>104,804</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 31 MARCH 2017
(UNAUDITED)

| | Current Year To Date 31.03.2017 RM'000 | Financial Year Ended 30.6.2016 RM'000 |
|--|---|--|
| CASH FLOWS USED IN OPERATING ACTIVITIES | | |
| Profit/(Loss) for the financial period | 1,112 | (8,487) |
| Adjustments for: | | |
| Share of profit in associate | - | 3,544 |
| Depreciation of property, plant and equipment | 547 | 1,638 |
| Finance costs | 978 | 1,262 |
| Fair value adjustments on reassessment of financial assets | - | 2,008 |
| Tax expense recognised in profit or loss | 56 | (230) |
| Write down of inventories | - | 474 |
| Impairment loss recognized on receivables | - | 3,693 |
| Impairment of timber concession | - | 599 |
| Amortisation of intangible assets | 180 | 219 |
| Unrealised (gain)/loss on foreign currency exchange | (6) | (2) |
| Interest arising from amortization of financial assets | - | (2,350) |
| Dividend income from preference shares | - | (500) |
| Gain on disposal of property, plant and equipment | - | (45) |
| Interest income | (1) | (5) |
| | <hr/> 2,866 | <hr/> 1,818 |
| Movements in working capital: | | |
| (Increase)/Decrease in: | | |
| Inventories | 1,787 | 990 |
| Property development projects | (6,914) | 1,158 |
| Trade and other receivables | (3,074) | (2,650) |
| Other assets | (301) | (13,942) |
| (Decrease)/Increase in: | | |
| Trade and other payables | 3,616 | 89 |
| Advanced billing | (281) | (1,431) |
| Other liabilities | 2,259 | (225) |
| | <hr/> (42) | <hr/> (14,193) |
| Cash Used In Operations | | |
| Income tax refunded | - | 3 |
| Income tax paid | (529) | (582) |
| | <hr/> (571) | <hr/> (14,772) |
| Net Cash Used In Operating Activities | | |

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL QUARTER ENDED 31 MARCH 2017**

(UNAUDITED)

[CONTINUED]

| | Current Year To Date 31.03.2017 RM'000 | Financial Year Ended 30.06.2016 RM'000 |
|---|---|---|
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Dividend received | - | 500 |
| Proceeds from disposal of property, plant and equipment | - | 47 |
| Proceeds from redemption of preference share | - | 5,000 |
| Interest received on fixed deposits | - | 5 |
| Additions to investment properties | - | (6,328) |
| Additions to land held for property development | - | (258) |
| Purchase of property, plant and equipment | (1,008) | (59) |
| Withdrawal/(Placement) of fixed deposits | (74) | 268 |
| Net Cash Used In Investing Activities | <u>(1,082)</u> | <u>(825)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from rights issue | - | 16,029 |
| Proceeds from term loans | - | 5,764 |
| (Repayment of)/Proceeds from bank overdraft – net | 1,038 | (1,426) |
| (Repayment of)/Proceeds from bankers' acceptances and trust receipts | 551 | (511) |
| Finance costs paid | (978) | (2,157) |
| Repayment of term loans | (1,063) | (1,175) |
| Repayment of short-term revolving credits – net | (125) | (250) |
| Repayment of hire-purchase payables – net | 225 | (233) |
| Proceeds from government grant | 778 | - |
| Net Cash From Financing Activities | <u>426</u> | <u>16,041</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (1,227) | 444 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 1,685 | 1,241 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | <u>458</u> | <u>1,685</u> |
| Cash and cash equivalents comprise: | | |
| Bank and cash balances | 458 | 1,685 |
| Fixed deposits | 124 | 50 |
| | <u>582</u> | <u>1,735</u> |
| Fixed deposits pledged for banking facilities | (124) | (50) |
| | <u>458</u> | <u>1,685</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
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FINANCIAL QUARTER ENDED 31 MARCH 2017

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 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 FRS 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 year ended 30 June 2016. 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 year ended 30 June 2016. 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 FRSs.

2. Changes in Accounting Policies

On November 19, 2011, the Malaysian Accounting Standards Board (“MASB”) has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”), a fully International Financial Reporting Standards (“IFRS”) compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities (“TEs”).

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 : Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On September 2, 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, the MASB announced that TEs which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by January 1, 2018.

The Group and the Company being TEs have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of their financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 : First-time adoption of Malaysian Financial Reporting Standards in their financial statements for the financial year ending June 30, 2019, being the first set of financial statements prepared in accordance with the new MFRS Framework.

The significant accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 30 June 201, except for the adoption of the following FRSs, IC Interpretations and Amendments to FRSs:

| | | Effective date for financial periods beginning on or after |
|-----------------------|--|--|
| FRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| Amendments to FRS 101 | Disclosure Initiative | 1 January 2016 |
| Amendments to FRS 107 | Disclosure Initiative | 1 January 2017 |
| Amendments to FRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |

LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017**

| | | |
|---------------------------------|--|----------------|
| Amendments to FRS 116 & FRS 138 | Clarification of Acceptable Methods of Depreciation And Amortisation | 1 January 2016 |
| Amendments To FRSs | Annual Improvements to FRSs 2012 – 2014 Cycle | 1 January 2016 |

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 30 June 2016 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 for the quarter and the financial year under review.

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
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017**

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 and timber harvesting | - | - | - | - | - | - |
| Precast concrete products | 5,324 | - | 5,324 | 12,434 | - | 12,434 |
| Properties | 5,678 | - | 5,678 | 17,720 | - | 17,720 |
| Others | 84 | (84) | - | 252 | (252) | - |
| | <u>11,086</u> | <u>(84)</u> | <u>11,002</u> | <u>30,406</u> | <u>(252)</u> | <u>30,154</u> |

(b) Segment Results

| | | |
|---|--------------|--------------|
| | RM'000 | RM'000 |
| Log trading and timber harvesting | (700) | (1,578) |
| Precast concrete products | 1,246 | 2,166 |
| Properties | 1,349 | 5,028 |
| Others | (352) | (685) |
| | <u>1,543</u> | <u>4,931</u> |
| Finance costs | (319) | (978) |
| Profit before tax | 1,224 | 3,953 |
| Tax expense | (57) | (57) |
| Profit after tax from continuing operations | <u>1,167</u> | <u>3,896</u> |

LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017**

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

There were no changes in the 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.

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LEWEKO RESOURCES BERHAD

Company No. 568420-K
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NOTES TO INTERIM FINANCIAL REPORT FINANCIAL QUARTER ENDED 31 MARCH 2017

15. Performance Review

For the quarter under review, the Group's continue operations registered consolidated revenue and profit before tax ("PBT") of RM11.00 million and RM1.22 million respectively as compared to a revenue of RM5.13 million and PBT of RM0.71 million in the preceding year's corresponding quarter. The Group recorded higher revenue and PBT mainly attributed to the higher contribution from the precast concrete and property divisions.

Our logs trading and timber harvesting section within the timber division did not generate any revenue for the current financial quarter and incurred an operating loss of approximately RM0.70 million.

Our Group's discontinued operations in relation to the sawn and moulded timber section within the timber division recorded loss before tax("LBT") of RM1.57 million in the current quarter.

The precast concrete division recorded revenue of RM5.32 million, an increase of 94.2% from RM2.74 million recorded in the preceding year's corresponding quarter. This was mainly contributed by the higher workdone as compare to the preceding year's corresponding quarter. Accordingly, this division recorded a higher PBT of RM1.25 million as compared to the PBT of RM0.34 million in the preceding year's corresponding quarter.

The property division recorded revenue of RM5.68 million as compared to the revenue of RM2.39 million recorded in the preceding year's corresponding quarter mainly contributed by the higher progress claim recorded during the quarter under review. Accordingly this division recorded a higher PBT of RM1.35 million as compared to the PBT of RM0.52 million in the preceding year's corresponding quarter.

16. Comparison of Results with Preceding Quarter

For the quarter under review, the Group's continue operations registered consolidated revenue and PBT of RM11.00 million and RM1.22 million respectively as compared to a revenue of RM9.31 million and PBT of RM1.45 million in the preceding quarter. The precast concrete division recorded higher revenue and PBT but offset by the weaker performance in the property division.

Our logs trading and timber harvesting section within the timber division did not generate any revenue for the current financial quarter and incurred an operating loss of approximately RM0.70 million.

Our Group's discontinued operations in relation to the sawn and moulded timber section within the timber division recorded LBT of RM1.57 million in the current quarter.

The precast concrete division recorded revenue of RM5.32 million, an increase of 23.7% from RM4.30 million recorded in the preceding quarter. This was mainly contributed by the higher workdone recorded in the current financial quarter. Accordingly, this division recorded PBT of RM1.25 million as compared to the PBT of RM0.71 million in the preceding quarter.

The property division recorded revenue of RM5.68 million, an increase of 13.5% from RM5.01 million recorded in the preceding quarter mainly contributed by the higher progress claim recorded during the quarter under review. However, this division recorded a lower PBT of RM1.35 million as compared to the PBT of RM1.66 million in the preceding quarter due to the higher operating costs incurred during the quarter under review.

LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017**

17. Commentary on Prospects

The Group operates principally in logs trading and timber harvesting; precast concrete manufacturing; and property development.

The Group's timber division had been operating in a challenging environment and recorded losses for the past few years due to the slower log trading activities. The Group has ceased its manufacturing and sale of sawn and moulded timber business during the financial year.

The Group's precast concrete division has been contributing positively to the Group's results over the last few years. The division which own "DURA" trademark based on Ultra-High Performance 'ductile Concrete ("UHPdC") technology, continuously receiving new orders over the last few years. The Group plans to expand the precast concrete business geographically.

The contribution from the Group's property division increased significantly in the last finance year. However given the overall sluggish demand in the property industries, the Group plans to cautiously manage its property development activities.

Besides the slowing down in the timber and property division, the Board is fairly confident that the performance of the precast concrete will be improved in the future.

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 Expense

| | Current Financial Quarter RM'000 | Current Financial Year To Date RM'000 |
|--------------------------|---|--|
| Income tax | | |
| Current financial period | (57) | (57) |
| Deferred taxation | | |
| Current financial period | - | - |
| | (57) | (57) |

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LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017**

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

The proposed disposal of freehold industrial land together with buildings and structures and machineries and equipment to Great Platform Sdn Bhd announced on 13 January 2017 has been completed on 12 May 2017.

23. Borrowings and Debt Securities

| | Secured RM'000 |
|-----------------------|---------------------------|
| Short term borrowings | 17,201 |
| Long term borrowings | 16,502 |
| | <u>33,703</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 17 May 2017.

25. Changes in Material Litigations

(I) Dura Technology Sdn. Bhd. ["DURA"] vs. Megat Ahmad Shahrani Sdn. Bhd. ["Defendant"]

On 5 February 2016, DURA filed a summons to the Ipoh High Court to recover a sum of approximately RM1,424,680 for the supply and installation of beams and other related work in respect of the project "Membina Jambatan Dari Kg. Baharu Ke Kg. Teluk (Menyeberangi Sg. Ayer Tawar), Daerah Manjung, Perak Darul Ridzuan" with the Defendant.

On 2 March 2017, the Court has granted the reinstatement of the Defendant's lawyers and the Defendant's lawyers have filed an application to amend the Defendant's Statement of Defense and Proposed Counter Claim. DURA had filed an Affidavit in Reply to the Court to appeal for the dismissal with costs of the Defendant's said application.

The Defendants and DURA have filed their Written Submission and Reply to the Submission respectively and the matter is fixed for hearing on 25 May 2017.

(II) Dura Technology Sdn. Bhd. ["DURA"] vs. H.S. Development Sdn. Bhd. ["Defendant"]

On 29 July 2016, DURA filed a summons to the Ipoh High Court to recover a sum of approximately RM1,187,200 for the supply and installation of beams and other related work in respect of the project "Menaiktaraf Jalan dari Jalan Utama Kg. Orang Asli Bawong – RPS Legap ke Pos Perwor, Sungai Siput, Perak" with the Defendant.

On 5 May 2017, DURA has extracted the sealed Judgement from the Court and had served the said Judgment to the Defendant's lawyers on 8 May 2017. The Defendant have been given 14 days from the date of service of the said sealed Judgment to pay the decretal sum together with interests and costs, failing which, DURA may pursue with the relevant execution and/or winding-up proceedings against the Defendant.

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 31 MARCH 2017****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 | 81 |

27. Basic/Diluted (Loss)/Profit Per Share

| | Current Financial Quarter RM'000 | Current Financial Year To Date RM'000 |
|--|---|--|
| Net (loss)/profit attributable to owners of the parent | (973) | 103 |
| Weighted average number of ordinary shares in issue ('000) | 321,893 | 321,893 |
| Basic/diluted (loss)/profit per share (sen) | (0.30) | 0.03 |

28. Dividends Payable

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

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 31.03.2017 RM'000 | As At 30.6.2016 RM'000 |
|---|--|---------------------------------------|
| Total retained earnings of the Leweko Resources Berhad and its subsidiary companies | | |
| Realised | 123,729 | 127,552 |
| Unrealised | 283 | (279) |
| | <hr/> 124,012 | <hr/> 127,273 |
| Total share of retained losses in associate | | |
| Realised | - | (3,543) |
| Consolidated adjustments | (89,258) | (89,080) |
| Total Group's retained earnings as per statement of financial position | <hr/> 34,754 | <hr/> 34,650 |

By order of the Board,

Chan Chee Kheong
Company Secretary

24 May 2017