

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	As At 30.06.2017 RM'000 (Unaudited)	As At 30.6.2016 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,354	7,284
Product development costs	1,974	2,194
Investment properties	-	19,309
Land held for property development	9,032	5,748
Investment in associated company	8,127	7,365
Amount owing by an associated company	6,082	17,118
Deferred tax assets	4,253	4,253
Goodwill on consolidation	1,904	4,535
Advances for log purchases	4,813	14,535
Total non-current assets	43,539	82,341
Current Assets		
Property development projects	6,131	11,886
Inventories	6,884	5,334
Amount owing by an associated company	14,971	6,342
Trade and other receivables	24,676	20,109
Current tax assets	13	10
Other assets	16,268	16,851
Fixed deposits, cash and bank balances	2,753	1,734
	71,696	62,266
Assets classified as held for sale	13,000	7,736
Total current assets	84,696	70,002
Total assets	128,235	152,343
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	64,379	64,379
Share premium	4,764	4,764
Retained earnings	20,092	34,650
Equity attributable to owners of the Parent	89,235	103,793
Non-controlling interest	1,646	1,010
Total equity	90,881	104,803
Non-Current Liabilities		
Hire-purchase payables	513	371
Borrowings	15,416	16,837
Deferred tax liabilities	2,181	4,812
Deferred revenue	-	274
Total non-current liabilities	18,110	22,294

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
AS AT 30 JUNE 2017
[CONTINUED]

	As At 30.06.2017 RM'000 (Unaudited)	As At 30.6.2016 RM'000 (Audited)
Current Liabilities		
Trade and other payables	11,326	6,895
Advanced billing	55	1,431
Hire-purchase payables	227	203
Borrowings	5,179	15,667
Current tax liabilities	557	471
Other liabilities	1,900	579
Total current liabilities	19,244	25,246
Total liabilities	37,354	47,540
Total equity and liabilities	128,235	152,343
Net Assets per Share (RM)	0.28	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 30 JUNE 2017
(UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000	Current Year To Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Revenue	4,968	10,302	35,122	28,120
Investment revenue	873	223	1,047	2,850
Other gains and losses	(1,026)	(1,987)	(988)	(1,955)
Other operating income	131	(5)	235	194
Impairment in Goodwill	(2,631)	-	(2,631)	-
Changes in inventories of finished goods and work-in-progress	-	2,558	-	1,981
Raw materials and consumables used	-	530	-	(117)
Employee benefits expenses	(686)	263	(3,667)	(3,872)
Depreciation of property, plant and equipment	(128)	425	(555)	(728)
Amortisation of intangible assets	(39)	(70)	(219)	(219)
Property development expenditure	(2,703)	(7,982)	(14,807)	(12,204)
Contract cost recognized	(2,760)	(1,217)	(11,051)	(6,537)
Impairment in timber concession	-	(599)	-	(599)
Impairment of investment properties	(3,620)	-	(3,620)	-
Other operating expenses	(721)	(4,821)	(2,277)	(7,221)
Share of profit/(loss) in associate	762	(3,543)	762	(3,543)
Profit from operations	(7,580)	(5,923)	(2,649)	(3,850)
Finance costs	(891)	(257)	(1,869)	(1,256)
Profit before tax	(8,471)	(6,180)	(4,518)	(5,106)
Tax credit	2,073	202	2,016	18
Profit and total comprehensive / income for the financial period from continuing operations	(6,398)	(5,978)	(2,502)	(5,088)
Loss and total comprehensive loss for the period from discontinued operations	(8,636)	(2,739)	(11,421)	(2,739)
Net (loss)/profit and total comprehensive income for the financial period	(15,034)	(8,717)	(13,923)	(7,827)
(Loss)/Profit and total comprehensive profit attributable to:				
Owners of the parent	(14,662)	(8,457)	(14,559)	(7,869)
Non-controlling interest	(372)	(260)	636	42
	(15,034)	(8,717)	(13,923)	(7,827)
Basic/diluted (loss)/profit per share attributable to owners of the parent (sen)	(4.55)	(2.63)	(4.52)	(2.44)

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 JUNE 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	-	(14,559)	-	636	(13,923)
At 30 June 2017	<u>64,379</u>	<u>20,092</u>	<u>4,764</u>	<u>1,646</u>	<u>90,881</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 30 JUNE 2017
(UNAUDITED)

	Current Year To Date 30.06.2017 RM'000	Financial Year Ended 30.6.2016 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit/(Loss) for the financial period	(13,923)	(8,487)
Adjustments for:		
Share of profit in associate	(762)	3,544
Depreciation of property, plant and equipment	748	1,638
Finance costs	1,868	1,262
Fair value adjustments on reassessment of financial assets	1,353	2,008
Tax expense recognised in profit or loss	(2,016)	(230)
Write down of inventories	-	474
Impairment loss recognized on receivables	3,499	3,693
Impairment of timber concession	-	599
Impairment of advances for log purchase	10,703	-
Impairment of investment properties	3,620	-
Amortisation of intangible assets	219	219
Unrealised (gain)/loss on foreign currency exchange	(346)	(2)
Interest arising from amortization of financial assets	(2,027)	(2,350)
Dividend income from preference shares	-	(500)
Gain on disposal of property, plant and equipment	(7,472)	(45)
Interest income	(1)	(5)
Impairment in Goodwill	2,630	-
Property, plant and equipment written off	275	-
	<hr/>	<hr/>
	(1,632)	1,818
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(1,550)	990
Property development projects	5,159	1,158
Trade and other receivables	(7,720)	(2,650)
Other assets	583	(13,942)
Amount owing by an associate	2,100	-
(Decrease)/Increase in:		
Trade and other payables	4,431	89
Advanced billing	(1,375)	(1,431)
Other liabilities	1,321	(225)
	<hr/>	<hr/>
Cash Used In Operations	1,317	(14,193)
Income tax refunded	-	3
Income tax paid	(530)	(582)
	<hr/>	<hr/>
Net Cash Used In Operating Activities	787	(14,772)

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
FINANCIAL QUARTER ENDED 30 JUNE 2017
(UNAUDITED)
[CONTINUED]

	Current Year To Date 30.06.2017 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	15,208	47
Proceeds from redemption of preference share	-	5,000
Interest received on fixed deposits	1	5
Additions to investment properties	-	(6,328)
Additions to land held for property development	-	(258)
Purchase of property, plant and equipment	(1,094)	(59)
Withdrawal/(Placement) of fixed deposits	(55)	268
Net Cash Used In Investing Activities	<u>14,060</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	(2,055)	(1,426)
(Repayment of)/Proceeds from bankers' acceptances and trust receipts	(3,567)	(511)
Finance costs paid	(1,869)	(2,157)
Repayment of term loans	(1,160)	(1,175)
Repayment of short-term revolving credits – net	(5,125)	(250)
Repayment of hire-purchase payables – net	167	(233)
Proceeds from government grant	(274)	-
Net Cash From Financing Activities	<u>(13,883)</u>	<u>16,041</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	964	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>2,649</u>	<u>1,685</u>
Cash and cash equivalents comprise:		
Bank and cash balances	2,649	1,685
Fixed deposits	104	50
	<u>2,753</u>	<u>1,735</u>
Fixed deposits pledged for banking facilities	(104)	(50)
	<u>2,649</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 30 JUNE 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 2016, 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 30 JUNE 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 30 JUNE 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
Precast concrete products	3,560	-	3,560	15,994	-	15,994
Properties	1,408	-	1,408	19,128	-	19,128
Others	84	(84)	-	336	(336)	-
	<u>5,052</u>	<u>(84)</u>	<u>4,968</u>	<u>35,458</u>	<u>(336)</u>	<u>35,122</u>

(b) Segment Results

	RM'000	RM'000
Precast concrete products	(256)	1,910
Properties	(7,629)	(2,601)
Others	<u>(457)</u>	<u>(2,720)</u>
	<u>(8,342)</u>	<u>(3,411)</u>
Share of profit in associate	762	762
Finance costs	<u>(891)</u>	<u>(1,869)</u>
Profit before tax	<u>(8,471)</u>	<u>(4,518)</u>
Tax expense	<u>2,073</u>	<u>2,016</u>
Profit after tax from continuing operations	<u>(6,398)</u>	<u>(2,502)</u>

LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 JUNE 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
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FINANCIAL QUARTER ENDED 30 JUNE 2017

15. Performance Review

For the quarter under review, the Group's continue operations registered consolidated revenue and loss before tax ("LBT") of RM4.97 million and RM8.47 million respectively as compared to a revenue of RM10.30 million and LBT of RM6.18 million in the preceding year's corresponding quarter. The Group recorded lower revenue due to the lower contributions from the property divisions. The loss recorded in the current quarter was mainly due to the loss on fair value adjustments on re-assessment of financial assets, impairment of investment properties and goodwill amounting to approximately RM7.60 million.

Our logs trading and timber harvesting section which did not generate any revenue for the last two financial years has been classified to discontinued operations as the results of the Group's decision to cease its timber division.

Our Group's discontinued operations in relation to the log trading, sawn and moulded timber section recorded LBT of RM8.64 million in the current quarter.

The precast concrete division recorded revenue of RM3.56 million, an increase of 57.5% from RM2.26 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. This division recorded a lower LBT of RM0.26 million as compared to the LBT of RM0.59 million in the preceding year's corresponding quarter.

The property division recorded revenue of RM1.41 million as compared to the revenue of RM10.41 million recorded in the preceding year's corresponding quarter mainly due to the lower sales recorded during the quarter under review which is affected by weak demand in commercial property. This division recorded a higher LBT of RM7.63 million as compared to the PBT of RM2.09 million in the preceding year's corresponding quarter mainly due to the impairment in investment properties and goodwill amounting to RM6.25 million.

16. Comparison of Results with Preceding Quarter

For the quarter under review, the Group's continue operations registered consolidated revenue and LBT of RM4.97 million and RM8.47 million respectively as compared to a revenue of RM11.0 million and PBT of RM1.22 million in the preceding quarter. The Group recorded lower revenue due to the lower contributions from the precast concrete and property divisions. The loss recorded in the current quarter was mainly due to the loss on fair value adjustments on re-assessment of financial assets, impairment of investment properties and goodwill amounting to approximately RM7.60 million.

Our logs trading and timber harvesting section which did not generate any revenue for the last two financial years has been classified to discontinued operations as the results of the Group's decision to cease its timber division.

Our Group's discontinued operations in relation to the log trading, sawn and moulded timber section recorded loss before tax ("LBT") of RM8.64 million in the current quarter.

The precast concrete division recorded revenue of RM3.56 million, a decrease of 33.1% from RM5.32 million recorded in the preceding quarter. This was mainly due to the lower workdone recorded in the current financial quarter as the results of the delay in site preparation by a main contractor. This division recorded LBT of RM0.26 million as compared to the PBT of RM1.25 million in the preceding quarter.

The property division recorded revenue of RM1.41 million as compared to RM5.68 million recorded in the preceding quarter mainly due to the lower sales recorded during the quarter under review which is affected by weak demand in commercial property. This division recorded a higher LBT of RM7.63 million as compared to the PBT of RM1.35 million in the preceding year's corresponding quarter mainly due to the impairment in investment properties and goodwill amounting to RM6.25 million.

LEWEKO RESOURCES BERHAD

Company No. 568420-K
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**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 JUNE 2017**

17. Commentary on Prospects

The Group operates principally in 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 log trading, 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 market, the Group plans to cautiously manage its property development activities.

Besides the slowing down in the 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	(615)	(615)
Deferred taxation		
Current financial period	2,631	2,631
	<u>2,016</u>	<u>2,016</u>

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LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 JUNE 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 except the following:-

Proposed disposal of a portion of a piece of land held under H.S. (D) 222041, PT 259619, Mukim Hulu Kinta, District of Kinta, Perak Darul Ridzuan measuring 24,038 square metres in area together with one (1) unit of one and a half (1½) storey detached supermarket cum car park erected thereon bearing postal address of No. 2, Jalan Perniagaan Ampang 4, Pusat Perniagaan Ampang, 31350 Ipoh, Perak Darul Ridzuan for total cash consideration of RM13 million.

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	5,406
Long term borrowings	15,930
	<u>21,336</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 August 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 25 May 2017, the Court has granted the Defendant's to application to amend the Defendant's Statement of Defense and Proposed Counter Claim.

The Court has fixed the above case for case management on 5 September 2017 for DURA and the Defendant to file and serve the relevant bundle of documents to the Court.

LEWEKO RESOURCES BERHADCompany No. 568420-K
(Incorporated in Malaysia)**(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 18 May 2017, DURA has received a letter from the Defendant’s lawyers requesting for a hold/stay in execution proceedings of the judgment against the Defendant as the Defendant has initiated legal proceedings against a third party whom the Defendant has purportedly made payments from the funds intended for DURA.

The Defendant has proposed for the payment of RM200,000 as interim payment towards the judgment sum owing to DURA as a consideration for DURA to withhold the execution proceedings against the Defendant. DURA has on a without prejudice to the judgement owing by the Defendant agreed to the Defendant’s proposal which shall be subjected to terms and conditions to be agreed between DURA and the Defendant. The terms and condition of the proposed arrangement has yet to be finalized as at the date of this report.

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	108

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	(14,662)	(14,559)
Weighted average number of ordinary shares in issue ('000)	321,893	321,893
Basic/diluted (loss)/profit per share (sen)	(4.55)	(4.52)

28. Dividends Payable

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

LEWEKO RESOURCES BERHAD

Company No. 568420-K
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FINANCIAL QUARTER ENDED 30 JUNE 2017**

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 30.06.2017 RM'000	As At 30.6.2016 RM'000
Total retained earnings of the Leweko Resources Berhad and its subsidiary companies		
Realised	90,707	127,552
Unrealised	623	(279)
	<hr/> 91,330	<hr/> 127,273
Total share of retained profit in associate		
Realised	762	(3,543)
Consolidated adjustments	(72,002)	(89,080)
Total Group's retained earnings as per statement of financial position	<hr/> 20,090	<hr/> 34,650

By order of the Board,

Chan Chee Kheong
Company Secretary

25 August 2017