

CONDENSED CONSOLIDATED INCOME STATEMENT

(the figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Current Year To Date 31/12/2016 RM'000	Preceding Year To Date 31/12/2015 RM'000
Revenue	20	61,763	77,028	139,187	321,717
Cost of Sales		(51,133)	(63,347)	(112,097)	(280,540)
Gross Profit		10,630	13,681	27,090	41,177
Operating Expenses		(7,484)	(10,250)	(21,616)	(24,065)
Other Operating Income		1,145	943	5,092	6,426
Profit/(Loss) from Operations		4,290	4,374	10,566	23,538
Finance Costs		(317)	(385)	(1,326)	(1,727)
Profit/(Loss) before tax	21	3,973	3,989	9,241	21,811
Income tax expense	14	(1,218)	(302)	(2,828)	(3,359)
Profit/(Loss) for the period		2,755	3,687	6,413	18,452
Other comprehensive income, net of tax		-	(1,402)	-	(1,402)
Total Comprehensive Income for the period		2,755	2,285	6,413	17,050
Profit attributable to:-					
Owners of the Company		2,506	3,592	5,609	17,293
Minority Interest		248	95	804	1,159
		2,755	3,687	6,413	18,452
Total Comprehensive Income attributable to:-					
Owners of the Company		2,506	2,190	5,609	15,891
Minority Interest		248	95	804	1,159
		2,755	2,285	6,413	17,050
Earnings/(Loss) per share:-	24				
- Basic (sen)		0.78	1.12	1.75	5.40
- Diluted (sen)		NA	NA	NA	NA

The Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	Unaudited At 31.12.2016 RM'000	Audited As at 31.12.2015 RM'000
Property, Plant and Equipment		14,556	16,882
Other Investments		63	63
Land Held for Property Development & Property Development Costs		16,221	16,221
Trade receivables		29,353	28,710
Amount due by Related Parties		30,096	30,096
Deferred tax assets		1,524	1,524
Current Assets			
Held-for-sale properties		8,063	8,063
Inventories		20,479	19,932
Trade receivables		139,946	173,076
Property Development Costs		9,370	8,921
Joint-venture development costs		73,500	70,557
Due by contract customers		91,068	105,361
Amount due by related parties		6,345	3,689
Other receivables, deposits and prepayments		39,024	35,458
Fixed and security deposits		4,467	4,467
Cash and bank balances		2,997	5,205
		395,258	434,729
Current Liabilities			
Trade payables		(63,670)	(65,628)
Due to contract customers		(74,919)	(112,413)
Amount due to related parties		(246)	(452)
Other payables, deposits received and accruals		(22,266)	(21,616)
Bank borrowings		(6,447)	(7,048)
Provisions		(5,348)	(5,348)
Tax Liabilities		(10,323)	(13,343)
		(183,218)	(225,848)
Net Current Assets		212,041	208,881
		303,854	302,377
Represented by:-			
Share Capital		320,250	320,250
Reserve	25	(76,438)	(82,047)
Total Equity Attributable to Owners of the Company		243,812	238,203
Non-controlling Interests		4,633	3,829
Total Equity		248,445	242,032
Non-Current Liabilities			
Bank borrowings		55,410	60,345
		303,854	302,377
Net Assets per share (RM)		0.7758	0.7558

The Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to Equity Holders of the Parent					Distributable Accumulated Loss	Total	Minority Interests	Total Equity
	Issued Capital	Exchange Translation Reserve	Revaluation Reserve	Capital Reserve	Share Premium				
	RM'000	0	0	0	0	RM'000	RM'000	RM'000	RM'000
At 01.01.2016	320,250	(1,390)	85	-	16,683	(97,425)	238,203	3,829	242,032
Total comprehensive income for the period	-	-	-	-	-	5,609	5,609	804	6,413
At 31.12.2016	320,250	(1,390)	85	-	16,683	(91,816)	243,812	4,633	248,444

For the year ended 31 December 2015

	Attributable to Equity Holders of the Parent					Distributable Accumulated Loss	Total	Minority Interests	Total Equity
	Issued Capital	Translation Reserve	Revaluation Reserve	Capital Reserve	Share Premium				
	RM'000	0	0	0	0	RM'000	RM'000	RM'000	RM'000
At 01.01.2015	320,250	12	85	-	16,683	(114,718)	222,312	2,970	225,282
Total comprehensive income for the period	-	(1,402)	-	-	-	17,293	15,891	1,159	17,050
Dividends	-	-	-	-	-	-	-	(300)	(300)
At 31.12.2015	320,250	(1,390)	85	-	16,683	(97,425)	238,203	3,829	242,032

The Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative 12 months to 31.12.2016 RM'000	Cumulative 12 months to 31.12.2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	9,241	21,811
Adjustments for:-		
Allowance for foreseeable loss	-	1,637
Allowance for impairment loss on receivables written back	-	(515)
Bad debts written off	-	345
Depreciation	2,991	3,049
Gain on disposal of held-for-sale property	-	(141)
Impairment loss on land held for property development	-	103
Interest expenses	1,326	1,593
Interest income	(5,069)	(5,360)
Inventories written down to net realisable value	-	1,363
Loss on disposal of plant and equipment	-	80
Provision for late delivery interest	-	571
Short term accumulated compensation absences	-	67
Operating profit/(loss) before working capital changes	8,488	24,603
(Increase)/Decrease in :-		
Inventories	(547)	(1,484)
Held for sale properties	-	2,830
Receivables	27,565	(38,315)
Land held for property development and property development costs	(449)	(1,426)
Joint-venture development costs	(2,943)	(6,347)
Due by/to contract customers	(22,159)	14,346
Amount due from related parties	(2,862)	18,558
Increase/(Decrease) in :-		
Payables	(1,007)	(9,539)
Provisions	2,000	(682)
Net cash generated from/(absorbed by) operations	8,086	2,544
Interest received	4	5,360
Interest paid	(1,326)	(1,593)
Tax paid	(4,717)	(6,737)
Net Cash Flow from Operating Activities	2,048	(426)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(347)	(1,047)
Proceeds from disposal of property, plant and equipment	301	10
Dividends paid to non-controlling interests	-	(300)
(Increase)/Decrease in pledged deposits	-	(89)
Net Cash Flow from Investing Activities	(46)	(1,426)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) hire-purchase arrangement	(1,720)	(1,925)
Proceeds from/(Repayment of) term loans	(2,491)	(2,009)
Proceeds from/(Repayment of) revolving credit	-	1,526
Net Cash Flow from Financing Activities	(4,211)	(2,408)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,209)	(4,260)
EFFECT OF EXCHANGE RATE CHANGES	-	(1,402)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,096	11,758
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,887	6,096
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and bank balances	2,997	5,205
Fixed and security deposits	890	891
	3,887	6,096

The Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

1) Basis of Accounting and Accounting Policies

The interim financial report of the Group has been prepared in accordance with FRS 134 "Interim Financial Reporting" and Appendix B (Part A) of the Listing Requirements (Main Market) of the Bursa Malaysia Securities Bhd ("Bursa Securities") and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new Malaysian Financial Reporting Standard ("MFRS"). Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

For financial year ending 31 December 2016, the Group will continue to prepare financial statements using Financial Reporting Standards ("FRSs"). The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015 except for adoption of new/revised MFRSs which came into effect in the current financial period/year, if any. The adoption of new/revised MFRSs have no significant impact on the financial statements of the Group.

The Group has not adopted any new/revised MFRSs and IC Interpretations that have been issued but not yet effective for the Group.

2) Previous Year's Audit Qualification and Current Status

The audited financial statements of the Company for the financial year ended 31 December 2015 were not subject to any audit qualification.

3) Seasonal or Cyclical Factors affecting Operations

The construction activities of the Group can be materially affected by some seasonal or cyclical factors.

4) Material Unusual Item

There was no material unusual item for the current financial quarter and financial year to date.

5) Material Changes in Estimates reported previously

Not applicable.

6) Issuance/Cancellation/Repurchase/Resale/Repayment of Debts/Equity Securities

There was no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

7) Dividends

No dividend had been declared for the current financial quarter and financial year to date.

8) Segmental Information

	Construction RM'000	Property Development RM'000	Manufacturing and Trading RM'000	Total RM'000
Segment profit	(2,177)	5,748	3,888	7,459
Included in the measure of segment profit are:-				
Revenue from external customers	69,182	13,809	56,196	139,187
Inter-segment revenue	-	-	-	-
Not included in the measure of segment profit but provided to Chief Executive Officer ("CEO"):-				
Depreciation and amortisation	(1,688)	(597)	(706)	(2,991)
Finance costs	(1,152)	(78)	(96)	(1,326)
Interest income	4,162	226	681	5,069
Taxation	(347)	(1,549)	(931)	(2,828)
Segment Assets	259,865	193,096	34,011	486,972
Included in the measure of segment assets are:-				
Additions to non-current assets other than financial instruments	201	-	146	347

Reconciliations of reportable segment revenues, profit/loss, assets and liabilities and other material items are as follows:-

Profit or Loss	RM'000
Total profit for reportable segments	7,459
Other non-reportable segments	(13)
Adjustments & eliminations	1,042
Depreciation of plant and equipment	(2,991)
Finance costs	(1,326)
Interest income	5,070
Consolidated profit before taxation	9,241

	Total reportable segments RM'000	Non-reportable segments RM'000	Components not monitored by CEO RM'000	Elimintation of inter-segment transactions or balances RM'000	Consolidated total RM'000
External revenue	139,187	-	-	-	139,187
Depreciation of plant and equipment	(2,991)	-	-	-	(2,991)
Finance costs	(1,326)	-	-	-	(1,326)
Interest income	4,810	259	-	-	5,069
Segment assets	558,397	7,250	1,690	(80,265)	487,072
Additions to non-current assets	347	-	-	-	347

By Geographical Segments

No geographical segment information is presented as the Group operates principally in Malaysia.

9) Valuation of Property, Plant and Equipment

Not applicable as the Group's property, plant and equipment are stated at cost less accumulated depreciation.

10) Material Subsequent Events

The Directors are of the opinion that no material events affecting the earnings of the Group for the period under review had occurred between 31 December 2016 and the date of this announcement.

11) Changes in the composition of the Group

There is no other changes in the composition of the Group for the current financial quarter and financial year to date.

12) Contingent Liabilities

There is no contingent liabilities for the Group as at 22 February 2017, being the latest practicable date which is not earlier than 7 days from the date of this announcement, as all the Group's performance/advance bonds had expired following the completion of the relevant contracts and fulfillment of the relevant contractual obligations pursuant to the contracts.

13) Changes in Material Litigations

Save as disclosed in shareholders' circular dated 25 January 2017, previous quarterly result announcements and in the audited accounts of the Company and its subsidiary companies, neither the Company nor any of its subsidiaries is engaged in any material litigation either as plaintiff or defendant as at the date of this announcement.

To the best of their knowledge, the Directors do not have any knowledge of any proceeding pending or threatened against the Company or its subsidiaries or of any fact likely to give rise to any proceedings which might materially or adversely affect the position of the Company and its subsidiaries.

14) Taxation

Income tax expense for the current financial quarter and financial year to date are as follows:-

	Current Quarter At 31.12.2016 RM'000	Cumulative year to date RM'000
Malaysian taxation based on profit for the year:-		
Current year	1,218	2,828
Deferred taxation:-		
Relating to reversal of temporary differences	-	-
	1,218	2,828

15) Profit/(Losses) on sale of Unquoted Investments and/or Properties

Except for those occurred within the ordinary course of the Group's businesses, there were no profits on sale of investments and/or properties for the current financial quarter and financial year to date.

16) Other Investments

a) Purchases/Sales of Quoted Securities

There is no purchase of quoted securities for the current financial quarter and financial year to date.

b) Included in other investments is investment in quoted shares as follows:-

	At 31.12.2016 RM'000
Investment in quoted shares, at cost	6
Investment in quoted shares, at carrying value/book value	3
Investment in quoted shares, at market value @ 22.02.2017	2

The Group has no other investment in quoted securities as at 31 December 2016 other than as disclosed above.

17) Status of Corporate Proposals

The Company had on 25 January 2017 issued a circular to shareholders in relation to the following proposals:-

- (i) Proposed reduction of the issued and paid-up share capital of the Company involving the cancellation of RM0.75 of the par value of every existing ordinary shares of RM1.00 each ("Proposed Par Value Reduction");
- (ii) Proposed private placement of up to 96,074,868 new ordinary shares of RM0.25 each; and
- (iii) Proposed amendment to the Memorandum & Articles of Association of the Company to facilitate the Proposed Par Value Reduction.

At the Extraordinary General Meeting of the Company held on 23 February 2017, the shareholders of the Company had approved all the abovesaid proposals. The Company will proceed to apply for sanction from the High Court for the implementation of the Proposed Par Value Reduction.

18) Group's Borrowings and Debt Securities as at 31 December 2016

	RM'000
Short Term Borrowings	
Secured:-	
Term Loan	3,080
Hire-purchase payables - repayable within 1 year	3,367
Total Short Term Borrowings	6,447
Long Term Borrowings	
Secured:-	
Term Loan	56,670
Hire-purchase payables - repayable between 2 to 5 years	(1,260)
Total Long Term Borrowings	55,410

19) Financial Instruments

The Group has no outstanding derivatives as at 31 December 2016.

There were no gain/loss arising from fair value changes in financial liabilities for the year to date.

20) Material change in the Quarterly Results compared to previous quarter

The Group recorded revenue of RM61.763 million and gross profit of RM10.63 million for current quarter as compared to revenue of RM22.1 million and gross profit of RM5.2 million for previous quarter. Revenue and profit for Quarter 4 was higher mainly due to increase in the supply of ready-mix concrete and certifications of construction works done received.

21) Review of Performance of the Company and its Principal Subsidiaries

The Group recorded revenue of RM139.187 million and gross profit of RM27.09 million for the year ended 31 December 2016. Completion of some of the external construction contracts (eg the shopping mall project in Ipoh) and hand over of the Group's Bukit Cheras development in 2015, coupled with the effect of GST and slow-down in the properties sales in general had affected the Group's operational performance in 2016.

As stated in the shareholders' circular dated 25.01.2017, the Kuala Lumpur Regional Centre for Arbitration ("KLRCA") has awarded Sycal Bhd ("Sycal") total sum of RM15.6 million, together with interest and costs ("Awarded Sum"), to be paid by Guangxi Dev & Cap Sdn Bhd ("GDC") within 4 weeks from 16.11.2016. GDC had on 7.12.2016 filed applications to the High Court to set aside the Awarded Sum ("GDC Application") and Sycal had filed applications to the High Court to enforce the Awarded Sum ("Enforcement Application"). The lawyer had advised that Sycal has reasonable chance of resisting GDC Application and success in its Enforcement Application at the High Court hearing scheduled to be held in March 2017.

Based on the latest available audited accounts of GDC for financial year ended 30.11.2015, GDC's NTA is RM11.369 million and has inventories consists of 52 units of completed condominium carried at book value of RM26.39 million as at 30.11.2015. As such, the management is optimistic that Sycal will have a good chance of recovering the Awarded Sum from GDC and is therefore of the view that no loss/provision is required to be provided in the Group's quarterly results for financial year ended 31.12.2016.

22) Current Year Prospects

The Board is of the opinion that the near term prospect is expected to remain challenging for the domestic construction and property industries in view of the weakness in the ringgit, slow down in domestic economy, effect of GST and stringent lending policies by banks.

However, based on the Group's on going and upcoming planned developments, the Board remains cautiously optimistic that the Group's performance will be satisfactory for the next financial year.

23) Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

Not applicable.

24) Earnings/(Loss) per share ("EPS")

Basic

The basic net profit per share is calculated by dividing the Group's profit after taxation and minority interests of RM5.609 million by the number of ordinary shares in issue of 320.25 million as at 31 December 2016.

25) Reserves

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
<u>Non-distributable:-</u>		
Share Premium	16,683	16,683
Exchange Translation Reserve	(1,390)	(1,390)
Revaluation Reserve	85	85
	15,378	15,378
<u>Distributable:-</u>		
Accumulated Losses	(91,816)	(97,425)
	(76,438)	(82,047)

Analysis of Accumulated Losses - Realised/Unrealised

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Accumulated Losses:-		
Realised	(322,244)	(327,853)
Unrealised	3,234	3,234
	(319,010)	(324,619)
Consolidation adjustments	227,194	227,194
Accumulated losses as per financial statements:	(91,816)	(97,425)

26) Authorised for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 23 February 2017.

By Order of the Board

Dato' Sri Haji Abd Rahim Bin Haji Abdul
 Chairman

SYCAL VENTURES BERHAD

(Company No. : 547651-U)

Part A1 : QUARTERLY REPORT

- * Quarterly report for the financial period ended : 31 December 2016
- * Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other
- * Financial Year End : 31 December 2016
- * The figures : Have been audited have not been audited

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

**Summary of Key Financial Information for the financial period ended
31 December 2016**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Current Year To Date 31/12/2016 RM'000	Preceding Year To Date 31/12/2015 RM'000
1 Revenue	61,763	77,028	139,187	321,717
2 Profit/(loss) before tax	3,973	3,989	9,241	21,811
3 Profit/(loss) for the period	2,755	3,687	6,413	18,452
4 Net profit/(loss) attributable to ordinary equity holders of the parent	2,506	2,190	5,609	15,891
5 Basic earnings/(loss) per share (sen)	0.78	1.12	1.75	5.40
6 Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 31 December 2016	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets/(liabilities) per share attributable to equity holders of the parent (RM)	0.7758	0.7558

Part 3 : ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Quarter 31/12/2015 RM'000	Current Year To Date 31/12/2016 RM'000	Preceding Year To Date 31/12/2015 RM'000
1 Gross interest income	2,559	1,677	5,069	5,360
2 Gross interest expense	620	309	1,326	1,651