

CONDENSED CONSOLIDATED INCOME STATEMENT

(the figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2017 RM'000	Preceding Year Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 31/12/2016 RM'000
Revenue	20	26,394	60,613	90,032	138,037
Cost of Sales		(20,648)	(55,500)	(68,982)	(116,464)
Gross Profit		5,746	5,112	21,051	21,573
Operating Expenses		(9,107)	(2,670)	(24,203)	(16,802)
Other Operating Income		4,261	1,940	9,078	5,887
Profit/(Loss) from Operations		900	4,382	5,925	10,658
Finance Costs		(301)	(684)	(1,217)	(1,692)
Profit/(Loss) before tax	21	599	3,698	4,708	8,966
Income tax expense	14	(704)	(1,092)	(1,919)	(2,702)
Profit/(Loss) for the period		(105)	2,606	2,789	6,264
Other comprehensive income, net of tax		-	(341)	-	(341)
Total Comprehensive Income for the period		(105)	2,265	2,789	5,923
Profit attributable to:-					
Owners of the Company		(45)	2,314	2,535	5,417
Minority Interest		(60)	292	254	847
		(105)	2,606	2,789	6,264
Total Comprehensive Income attributable to:-					
Owners of the Company		(45)	1,973	2,535	5,076
Minority Interest		(60)	292	254	847
		(105)	2,265	2,789	5,923
Earnings/(Loss) per share:-	24				
- Basic (sen)		(0.01)	0.72	0.79	1.69
- Diluted (sen)		NA	NA	NA	NA

The Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for year ended 31 December 2016.

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	Unaudited At 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000
Property, Plant and Equipment		11,543	15,094
Other Investments		63	63
Land Held for Property Development & Property Development Costs		16,262	16,262
Trade receivables		18,710	18,710
Amount due by Related Parties		13,121	13,121
Deferred tax assets		2,165	2,165
Current Assets			
Held-for-sale properties		9,567	8,063
Inventories		14,454	16,581
Trade receivables		169,202	175,263
Property Development Costs		32,871	18,921
Joint-venture development costs		78,677	74,901
Due by contract customers		92,780	125,129
Amount due by related parties		18,524	16,660
Other receivables, deposits and prepayments		31,050	32,743
Fixed and security deposits		4,598	4,598
Cash and bank balances		2,791	1,487
		454,514	474,346
Current Liabilities			
Trade payables		(69,345)	(68,644)
Due to contract customers		(92,257)	(120,506)
Amount due to related parties		(456)	(456)
Other payables, deposits received and accruals		(25,207)	(21,968)
Bank borrowings		(8,540)	(7,248)
Provisions		(2,975)	(3,621)
Tax Liabilities		(11,547)	(14,073)
		(210,327)	(236,516)
Net Current Assets		244,187	237,830
		306,051	303,245
Represented by:-			
Share Capital		103,496	320,250
Reserve	25	149,068	(76,971)
Total Equity Attributable to Owners of the Company		252,564	243,279
Non-controlling Interests		4,030	4,376
Total Equity		256,594	247,655
Non-Current Liabilities			
Bank borrowings		49,457	55,590
		306,051	303,245
Net Assets per share (RM)		0.7389	0.7733

The Condensed Consolidated Balance Sheets should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2017

	<----- Attributable to Equity Holders of the Parent ----->						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Issued Capital RM'000	Exchange		Capital Reserve RM'000	Distributable				
		Translation Reserve RM'000	Revaluation Reserve RM'000		Share Premium RM'000	Retained Earnings RM'000			
At 01.01.2017	320,250	(1,731)	85	-	16,683	(92,008)	243,279	4,376	247,655
Effects of par value reduction	(223,504)	-	-	34,770	(16,683)	205,418	0	-	0
Total comprehensive income for the period	-	-	-	-	-	2,535	2,535	254	2,789
Private placement of new shares	6,750	-	-	-	-	-	6,750	-	6,750
Dividends paid	-	-	-	-	-	-	-	(600)	(600)
At 31.12.2017	103,496	(1,731)	85	34,770	-	115,945	252,564	4,030	256,594

For the year ended 31 December 2016

	<----- Attributable to Equity Holders of the Parent ----->						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Issued Capital RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Capital Reserve RM'000	Distributable				
					Share Premium RM'000	Accumulated Loss 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	-	(341)	-	-	-	5,417	5,076	847	5,923
Dividends paid	-	-	-	-	-	-	-	(300)	(300)
At 31.12.2016	320,250	(1,731)	85	-	16,683	(92,008)	243,279	4,376	247,655

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for year ended 31 December 2016.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative 12 months to 31.12.2017 RM'000	Cumulative 12 months to 31.12.2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	4,708	8,966
Adjustments for:-		
Allowance for impairment loss on receivables	6,569	-
Bad debts written off	-	9
Depreciation	1,930	3,040
Interest expenses	1,217	1,455
Interest income	(8,420)	(4,964)
Provision for late delivery interest	-	297
Provision for employee benefits	-	12
Operating profit/(loss) before working capital changes	6,004	8,815
(Increase)/Decrease in :-		
Inventories	2,127	3,351
Held for sale properties	(1,504)	-
Receivables	(1,095)	11,515
Land held for property development and property development costs	(13,950)	(10,044)
Joint-venture development costs	(3,776)	(4,341)
Due by/to contract customers	6,135	(11,675)
Amount due from related parties	417	4,008
Increase/(Decrease) in :-		
Payables	3,940	2,372
Provisions	(646)	(2,036)
Net cash generated from/(absorbed by) operations	(2,348)	1,965
Interest received	8,420	4,964
Interest paid	(1,217)	(1,455)
Tax paid	(4,445)	(2,613)
Net Cash Flow from Operating Activities	410	2,861
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(414)	(1,162)
Dividends paid to non-controlling interests	(600)	(300)
Increase in pledged deposits	-	(104)
Net Cash Flow from Investing Activities	(1,014)	(1,566)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) hire-purchase arrangement	(1,644)	(1,983)
Proceeds from/(Repayment of) term loans	(3,198)	(2,663)
Proceeds from revolving credit	-	1
Proceeds from placement of shares	6,750	-
Net Cash Flow from Financing Activities	1,908	(4,645)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,304	(3,350)
EFFECT OF EXCHANGE RATE CHANGES	-	(341)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,405	6,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,709	2,405
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and bank balances	2,791	1,487
Fixed and security deposits	918	918
	3,709	2,405

The Condensed Consolidated Cashflow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for year ended 31 December 2016.

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 2016.

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 2017, the Group will continue to prepare financial statements using applicable Financial Reporting Standards ("FRSs"). The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016 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 2016 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	(8,964)	6,429	1,971	(564)
Included in the measure of segment profit are:-				
Revenue from external customers	37,242	11,292	42,201	90,735
Inter-segment revenue	-	-	(703)	(703)
Not included in the measure of segment profit but provided to Chief Executive Officer ("CEO"):-				
Depreciation and amortisation	(646)	(648)	(635)	(1,930)
Finance costs	(1,131)	(55)	(31)	(1,217)
Interest income	7,569	139	711	8,420
Taxation	(63)	(1,446)	(410)	(1,919)
Segment Assets	259,226	203,286	28,996	491,507
Included in the measure of segment assets are:-				
Additions to non-current assets other than financial instruments	98	-	316	414

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	(564)
Other non-reportable segments	(1)
Depreciation of plant and equipment	(1,930)
Finance costs	(1,217)
Interest income	8,420
Consolidated profit before taxation	4,708

	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	90,735	-	-	(703)	90,032
Depreciation of plant and equipment	(1,930)	-	-	-	(1,930)
Finance costs	(1,217)	-	-	-	(1,217)
Interest income	8,161	259	-	-	8,420
Segment assets	591,359	18,182	2,491	(95,655)	516,378
Additions to non-current assets	414	-	-	-	414

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 2017 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 23 February 2018, 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 below and in 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/arbitration, either as plaintiff or defendant, and the Directors have no knowledge of any other proceeding pending or threatened against the Company or its subsidiaries or of any fact likely to give rise to any proceedings which may materially affect the position of the Company and its subsidiaries as at the date of this announcement:-

As announced earlier, the Adjudicator had 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 07.12.2016 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 ("Sycal Enforcement Application"). The Court had on 9 March 2017 dismissed GDC Application and allowed Sycal Enforcement Application. GDC has filed an appeal to the Court of Appeal on the dismissal of its setting-aside application by the High Court ("GDC Setting-aside Application").

The Company had recovered some monies from the garnishing action awarded by the Court and, after due consideration of the advise from the lawyer, the Company had initiated the winding-up petition against GDC. Court proceedings for the winding-up petition against GDC and the GDC Setting-aside Application were fixed for hearing on 2 March 2018.

14) Taxation

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

	Current Quarter At 31.12.2017 RM'000	Cumulative year to date RM'000
Malaysian taxation based on profit for the year:-		
Current year	704	1,919
Deferred taxation:-		
Relating to reversal of temporary differences	-	-
	704	1,919

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 31.12.2017
	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 @ 23.02.2018	2

The Group has no other investment in quoted securities as at 31 December 2017 other than as disclosed above.

17) Status of Corporate Proposals

At the Extraordinary General Meeting of the Company held on 23 February 2017, the shareholders of the Company had approved 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.

The High Court of Malaya at Kuala Lumpur had on 3 May 2017 granted an order confirming the Par Value Reduction. The reduction of share capital has become effective on 5 July 2017 upon receiving the notice of confirming the reduction of share capital pursuant to the Companies Act 2016 from the Suruhanjaya Syarikat Malaysia.

As announced in December 2017, the Company had implemented private placements of 27,000,000 new shares. Bursa Malaysia had on 15 January 2018 approved the Company's application for extension of time until 6 July 2018 to complete the implementation of the Private Placement.

18) Group's Borrowings and Debt Securities as at 31 December 2017

	RM'000
Short Term Borrowings	
Secured:-	
Term Loan	7,211
Hire-purchase payables - repayable within 1 year	1,329
Total Short Term Borrowings	8,540
Long Term Borrowings	
Secured:-	
Term Loan	47,674
Hire-purchase payables - repayable between 2 to 5 years	1,783
Total Long Term Borrowings	49,457

19) Financial Instruments

The Group has no outstanding derivatives as at 31 December 2017.

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 RM26.394 million and gross profit of RM5.746 million for current quarter as compared to revenue of RM24.258 million and gross profit of RM4.847 million for previous quarter. On prudent basis, an impairment loss of RM6.569 million was provided for in respect of amount owed by GDC after taking into consideration the status of the legal action as explained in Note 13 above.

Works on the Group's new projects in Ipoh Greentown and Genting Sempah had commenced and expected to generate revenue and profits from early 2018 onwards.

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

The Group recorded revenue of RM90.032 million and gross profit of RM21.051 million for the year ended 31.12.2017 with the Property Development Division being the main contributor in terms of operating profits. Construction Division had recorded a loss in 2017 mainly due to the impairment loss as explained in Note 20 above.

Construction and property development activities are expected to pick up after the Chinese New Year festive season in 2018 as works and sales for the Group's Genting Park project in Genting Sempah and ICC Commercial Suites in Ipoh had started.

The Genting Park project comprises 2 blocks of 42-storey condominium nested amongst the greens of Genting Sempah near Bukit Tinggi and approximately 500 meters from the McDonalds and Petronas rest area and is within 15-minutes drive from the Gombak toll and the Genting Premium Outlet/Awana cable car station. This project is expected to generate construction and gross development revenue of approximately RM600 million for the Group.

The ICC Commercial Suite project comprises a 21-storey suites at the recently completed Ipoh Convention Centre located strategically in the heart of Ipoh Greentown business district, next to Majlis Bandaraya Ipoh and approximately 10-minutes from the train station. This project is expected to generate construction and gross development revenue of approximately RM200 million for the Group.

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. 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 financial year ending 31 December 2018.

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

Not applicable.

24) Earnings/(Loss) per share ("EPS") and Net Assets ("NA") per share

Basic EPS

The basic net earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM2.535 million by the weighted average number of ordinary shares in issue of 320.493 million for year ended 31 December 2017.

NA per share

The net assets per share is calculated by dividing the Group's total equity of RM256.594 million by the number of ordinary shares in issue of 347.25 million as at 31 December 2017.

25) Reserves

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
<u>Non-distributable:-</u>		
Share Premium	-	16,683
Capital Reserve	34,770	-
Exchange Translation Reserve	(1,731)	(1,731)
Revaluation Reserve	85	85
	33,124	15,037
<u>Distributable:-</u>		
Retained earnings / (Accumulated Losses)	115,945	(92,008)
	149,068	(76,971)

Analysis of Accumulated Losses - Realised/Unrealised

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Accumulated Losses:-		
Realised	(114,511)	(322,464)
Unrealised	4,723	4,723
	(109,788)	(317,741)
Consolidation adjustments	225,733	225,733
Retained earnings/(Accumulated losses) as per financial statements	115,945	(92,008)

26) Authorised for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 20 February 2018.

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 2017
- * Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other
- * Financial Year End : 31 December 2017
- * 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 2017**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 31/12/2016 RM'000
1 Revenue	26,394	60,613	90,032	138,037
2 Profit/(loss) before tax	599	3,698	4,708	8,966
3 Profit/(loss) for the period	(105)	2,606	2,789	6,264
4 Net profit/(loss) attributable to ordinary equity holders of the parent	(45)	1,973	2,535	5,076
5 Basic earnings/(loss) per share (sen)	(0.01)	0.72	0.79	1.69
6 Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 31 December 2017	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets/(liabilities) per share attributable to equity holders of the parent (RM)	0.7389	0.7733

Part 3 : ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 31/12/2016 RM'000
1 Gross interest income	4,590	1,079	8,420	4,964
2 Gross interest expense	301	684	1,217	1,692