

CONDENSED CONSOLIDATED INCOME STATEMENT

(the figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2018 RM'000	Preceding Year Quarter 30/06/2017 RM'000	Current Year To Date 30/06/2018 RM'000	Preceding Year To Date 30/06/2017 RM'000
Revenue	20	12,133	15,468	25,551	39,381
Cost of Sales		(9,478)	(10,925)	(18,650)	(28,923)
Gross Profit		2,655	4,543	6,901	10,458
Operating Expenses		(4,164)	(4,670)	(8,468)	(9,790)
Other Operating Income		2,032	1,405	4,440	3,464
Profit/(Loss) from Operations		523	1,278	2,873	4,132
Finance Costs		(295)	(336)	(590)	(661)
Profit/(Loss) before tax	21	228	942	2,283	3,471
Income tax expense	14	(108)	(356)	(698)	(930)
Profit/(Loss) for the period		120	586	1,585	2,542
Other comprehensive income, net of tax		-	-	-	-
Total Comprehensive Income for the period		120	586	1,585	2,542
Profit attributable to:-					
Owners of the Company		81	499	1,509	2,224
Minority Interest		39	86	76	318
		120	586	1,585	2,542
Total Comprehensive Income attributable to:-					
Owners of the Company		81	499	1,509	2,224
Minority Interest		39	86	76	318
		120	586	1,585	2,542
Earnings/(Loss) per share:-	24				
- Basic (sen)		0.02	0.16	0.40	0.69
- 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 2017.

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	Unaudited At 30.06.2018 RM'000	Audited As at 31.12.2017 RM'000
Property, Plant and Equipment		25,440	26,403
Other Investments		60	60
Land Held for Property Development & Property Development Costs		16,332	16,332
Trade receivables		2,884	2,884
Deferred tax assets		4,352	4,352
		49,068	50,031
Current Assets			
Held-for-sale properties		9,829	10,328
Inventories		22,290	22,099
Property Development Costs		34,437	28,056
Joint-venture development costs		71,907	72,068
Due by contract customers		110,572	111,935
Amount due by related parties		25,315	23,946
Current tax assets		189	189
Trade receivables		147,477	151,384
Other receivables, deposits and prepayments		36,725	31,752
Fixed and security deposits		6,372	4,562
Cash and bank balances		9,513	5,738
		474,626	462,057
TOTAL ASSETS		523,694	512,088
Represented by:-			
Share Capital		120,764	103,495
Reserve	25	151,215	149,706
Total Equity Attributable to Owners of the Company		271,979	253,201
Non-controlling Interests		4,411	4,335
Total Equity		276,390	257,536
Non-Current Liabilities			
Bank Borrowings	18	49,414	49,985
Deferred liabilities		2,966	2,966
Deferred Tax Liabilities		2,911	2,911
		55,290	55,862
Current Liabilities			
Trade payables		48,065	53,657
Due to contract customers		90,677	95,874
Amount due to related parties		697	697
Other payables, deposits received and accruals		30,100	24,471
Bank borrowings	18	6,793	8,346
Provisions		2,901	2,901
Tax Liabilities		12,780	12,744
		192,013	198,690
TOTAL LIABILITIES		247,303	254,552
TOTAL EQUITY & LIABILITIES		523,694	512,088
Net Assets per share (RM)		0.6639	0.7416

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 2017.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 June 2018

	<----- Attributable to Equity Holders of the Parent ----->						Total	Minority Interests	Total Equity
	Issued Capital	Exchange Translation Reserve	Revaluation Reserve	Capital Reserve	Share Premium	Distributable Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.01.2018	103,495	(925)	-	34,770	-	115,861	253,201	4,335	257,536
Private placement of shares	17,269						17,269		17,269
Total comprehensive income for the period	-	-	-	-	-	1,509	1,509	76	1,585
At 30.06.2018	120,764	(925)	-	34,770	-	117,370	271,979	4,411	276,390

For the period ended 30 June 2017

	<----- Attributable to Equity Holders of the Parent ----->						Total	Minority Interests	Total Equity
	Issued Capital	Translation Reserve	Revaluation Reserve	Capital Reserve	Share Premium	Distributable Accumulated Loss			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.01.2017	320,250	(1,731)	85	-	16,683	(92,008)	243,279	4,376	247,655
Total comprehensive income for the period	-	-	-	-	-	2,224	2,224	318	2,542
At 30.06.2017	320,250	(1,731)	85	-	16,683	(89,784)	245,503	4,694	250,197

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 2017.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative 6 months to 30.06.2018 RM'000	Cumulative 6 months to 30.06.2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	2,283	3,471
Adjustments for:-		
Depreciation	1,501	752
Interest expenses	590	325
Interest income	(4,359)	(1,359)
Operating profit/(loss) before working capital changes	<u>15</u>	<u>3,189</u>
(Increase)/Decrease in :-		
Inventories	(191)	115
Held for sale properties	499	-
Receivables	1,116	5,894
Land held for property development and property development costs	(6,381)	(538)
Joint-venture development costs	161	(927)
Due by/to contract customers	(2,333)	(2,184)
Amount due from related parties	811	(106)
Increase/(Decrease) in :-		
Payables	(3,366)	(1,623)
Net cash generated from/(absorbed by) operations	<u>(9,669)</u>	<u>3,821</u>
Interest received	-	-
Interest paid	(590)	(325)
Tax paid	(661)	(338)
Net Cash Flow from Operating Activities	<u>(10,920)</u>	<u>3,157</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	360	(38)
Net Cash Flow from Investing Activities	360	(38)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) hire-purchase arrangement	7	(359)
Proceeds from/(Repayment of) term loans	(1,131)	(1,643)
Proceeds from placement of shares	17,269	-
Net Cash Flow from Financing Activities	<u>16,145</u>	<u>(2,002)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,585	1,117
EFFECT OF EXCHANGE RATE CHANGES	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,525	2,405
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>12,110</u>	<u>3,522</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and bank balances	9,513	1,662
Fixed and security deposits	2,597	918
	<u>12,110</u>	<u>2,580</u>

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 2017.

NOTES TO THE INTERIM FINANCIAL REPORT

1) Basis of Accounting and Accounting Policies

The unaudited interim financial report of the Group has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Main Market Listing Requirements 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 2017.

For financial year ending 31 December 2018, 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 2017 except for adoption of the relevant new/revised MFRSs which came into effect in the current financial period/year:-

Description	Effective for periods beginning on or after
Amendment to MFRS 1: "First-time Adoption of MFRS" (Annual improvements to MFRS Standards 2014-2016 cycle)	1 January 2018
Amendment to MFRS 128: "Investment in Associates and Joint Ventures" (Annual improvements to MFRS Standards 2014-2016 cycle)	1 January 2018
Amendments to MFRS 2 "Classification and Measurement of Share-based payment Transactions"	1 January 2018
Amendments to MFRS 140 "Transfers of Investment Property"	1 January 2018
IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"	1 January 2018
MFRS 15 "Revenue from Contracts with Customers"	1 January 2018
MFRS 9 "Financial Instruments" (IFRS issued by IASB in July 2014)	1 January 2018

Except for the adoption of MFRS 9 and MFRS 15 as further explained below, the adoption of the above amendments and IC Interpretation have no significant financial impact on the Group and the Company, and did not result in substantial changes in the Group's accounting policies.

Impact of initial application of MFRS 9 "Financial Instruments"

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI'). MFRS 9 introduces an expected credit loss ('ECL') model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and delimitates the need for a trigger event to have occurred before credit losses are recognised.

Classification and measurement: The Group anticipates that the classification and measurement basis for its financial assets will not be affected by the adoption of MFRS 9.

Impairment: The Group has applied the simplified approach to measure ECL uses a life time expected loss allowance for all trade receivables and contract assets. Based on the Group's initial assessment, the introduction of ECL model for the assessment of impairment of financial assets is not expected to have a material impact on the Group's results.

Presentation & disclosure: MFRS 9 allows reclassification of financial asset from one category to another when and only when an entity changes its business model for managing financial assets. No material changes in presentation and disclosure of financial instruments are expected as the Group does not intend to change its business model.

Impact of initial application of MFRS 15 "Revenue from Contracts with Customers"

The core principle in MFRS 15 is that an entity recognised revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

The Group does not expect the adoption of MFRS 15 to have significant impact on the timing and measurement of its revenue.

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 2017 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

Other than the private placement of 69,074,868 new shares at RM0.25 per share which was completed in April 2018, 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	(1,551)	1,239	328	17
Included in the measure of segment profit are:-				
Revenue from external customers	3,172	5,590	16,789	25,551
Inter-segment revenue	2,062	-	-	2,062
Not included in the measure of segment profit but provided to Chief Executive Officer ("CEO"):-				
Depreciation and amortisation	(856)	(359)	(286)	(1,501)
Finance costs	(548)	(39)	(4)	(590)
Interest income	2,624	1,450	285	4,359
Taxation	39	(607)	(129)	(698)
Segment Assets	313,735	298,908	18,740	631,383
Included in the measure of segment assets are:-				
Additions to non-current assets other than financial instruments	-	-	(360)	(360)

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

	RM'000
Profit or Loss	
Total profit for reportable segments	17
Other non-reportable segments	(1)
Depreciation of plant and equipment	(1,501)
Finance costs	(590)
Interest income	4,359
Consolidated profit before taxation	2,283

8) Segmental Information (cont'd)

	Total reportable segments RM'000	Non-reportable segments RM'000	Components not monitored by CEO RM'000	Elimination of inter-segment transactions or balances RM'000	Consolidated total RM'000
External revenue	25,551	-	-	-	25,551
Depreciation of plant and equipment	(1,501)	-	-	-	(1,501)
Finance costs	(590)	-	-	-	(590)
Interest income	4,302	57	-	-	4,359
Segment assets	631,383	10,557	4,412	(122,658)	523,694
Additions to non-current assets	(360)	-	-	-	(360)

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

There is no material event affecting the earnings of the Group for the period under review had occurred between 30 June 2018 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 24 August 2018, being the latest practicable date which is not earlier than 7 days from the date of this announcement.

13) Changes in Material Litigations

Save as disclosed 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.

14) Taxation

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

	Current Quarter At 30.06.2018 RM'000	Cumulative year to date RM'000
Malaysian taxation based on profit for the year:-		
Current year	108	698
Deferred taxation:-		
Relating to reversal of temporary differences	-	-
	108	698

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 30.06.2018 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 @ 24.08.2018	2

The Group has no other investment in quoted securities as at 30 June 2018 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) 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 ("Par Value Reduction");
- (ii) Private placement of up to 96,074,868 new ordinary shares of RM0.25 each ("Private Placement"); and
- (iii) Amendment to the Memorandum & Articles of Association of the Company to facilitate the Par Value Reduction.

The Par Value Reduction has become effective on 5 July 2017.

The Private Placement was completed in April 2018. The gross proceeds of RM24,018,717.00 have been/will be utilized for purposes as detailed in the Shareholders' Circular dated 25 January 2017.

18) Group's Borrowings and Debt Securities as at 30 June 2018

	RM'000
Short Term Borrowings	
Secured:-	
Term Loan	5,087
Hire-purchase payables - repayable within 1 year	1,707
Total Short Term Borrowings	6,793
Long Term Borrowings	
Secured:-	
Term Loan	47,665
Hire-purchase payables - repayable between 2 to 5 years	1,749
Total Long Term Borrowings	49,414

19) Financial Instruments

The Group has no outstanding derivatives as at 30 June 2018.

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 RM12.133 million and gross profit of RM2.655 million for current quarter as compared to revenue of RM13.418 million and gross profit of RM4.246 million for previous quarter.

Works on the Group's new projects in ICC Commercial Suites project in Ipoh and Genting Park project in Genting Sempah had started and expected to generate revenue and profits from 4th quarter of 2018 onwards.

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

The Group recorded revenue of RM25.551 million and net profit before taxation of RM2.283 million for the 6 months ended 30.06.2018 with the Property Development Division being the main contributor in terms of operating profits from its projects management services rendered to external clients.

Construction and property development activities are expected to pick up from 4th quarter of 2018 with the commencement of works and sales for the Group's Genting Park project and ICC Commercial Suites.

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, and the abolishment of 6% GST, the Board remains cautiously optimistic that the Group's performance will be satisfactory for the remaining period for 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 RM1.509 million by the weighted average number of ordinary shares in issue of 376,030,755 for the period under review.

NA per share

The net assets per share is calculated by dividing the Group's total equity of RM276.39 million by the number of ordinary shares in issue of 416,324,428 as at to date.

25) Reserves

	As at 30/06/2018	As at 31/12/2017
	RM'000	RM'000
<u>Non-distributable:-</u>		
Capital Reserve	34,770	34,770
Exchange Translation Reserve	(925)	(925)
	33,845	33,845
<u>Distributable:-</u>		
Retained earnings / (Accumulated Losses)	117,370	115,861
	151,215	149,706

26) Authorised for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 28 August 2018.

SYCAL VENTURES BERHAD

(Company No. : 547651-U)

Part A1 : QUARTERLY REPORT* Quarterly report for the : 30 June 2018
financial period ended* Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

* Financial Year End : 31 December 2018

* 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
30 June 2018

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2018 RM'000	Preceding Year Quarter 30/06/2017 RM'000	Current Year To Date 30/06/2018 RM'000	Preceding Year To Date 30/06/2017 RM'000
1 Revenue	12,133	15,468	25,551	39,381
2 Profit/(loss) before tax	228	942	2,283	3,471
3 Profit/(loss) for the period	120	586	1,585	2,542
4 Profit/(loss) attributable to ordinary equity holders of the parent	81	499	1,509	2,224
5 Basic earnings/(loss) per share (sen)	0.02	0.16	0.40	0.69
6 Proposed/Declared dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 30 June 2018	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets/(liabilities) per share attributable to equity holders of the parent (RM)	0.6639	0.7416

Part 3 : ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2018 RM'000	Preceding Year Quarter 30/06/2017 RM'000	Current Year To Date 30/06/2018 RM'000	Preceding Year To Date 30/06/2017 RM'000
1 Gross interest income	2,179	1,406	4,359	2,765
2 Gross interest expense	295	336	590	661