

**CONDENSED CONSOLIDATED INCOME STATEMENT**

(the figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/09/2018 RM'000	Preceding Year Quarter 30/09/2017 RM'000	Current Year To Date 30/09/2018 RM'000	Preceding Year To Date 30/09/2017 RM'000
Revenue	20	17,351	24,258	42,902	63,638
Cost of Sales		(12,387)	(19,411)	(31,038)	(48,333)
Gross Profit		4,964	4,847	11,865	15,305
Operating Expenses		(6,376)	(5,307)	(14,844)	(15,096)
Other Operating Income		2,285	1,352	6,725	4,816
Profit/(Loss) from Operations		872	893	3,746	5,025
Finance Costs		(264)	(255)	(855)	(916)
Profit/(Loss) before tax	21	608	638	2,891	4,109
Income tax expense	14	(411)	(286)	(1,108)	(1,215)
Profit/(Loss) for the period		197	352	1,782	2,894
Other comprehensive income, net of tax		-	-	-	-
Total Comprehensive Income for the period		197	352	1,782	2,894
Profit attributable to:-					
Owners of the Company		138	355	1,648	2,579
Minority Interest		59	(3)	135	314
		197	352	1,782	2,894
Total Comprehensive Income attributable to:-					
Owners of the Company		138	355	1,648	2,579
Minority Interest		59	(3)	135	314
		197	352	1,782	2,894
Earnings/(Loss) per share:-	24				
- Basic (sen)		0.04	0.11	0.42	0.81
- 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 30.09.2018 RM'000	Audited As at 31.12.2017 RM'000
<b>Property, Plant and Equipment</b>		24,952	26,403
<b>Other Investments</b>		60	60
<b>Land Held for Property Development &amp; Property Development Costs</b>		16,332	16,332
<b>Trade receivables</b>		2,884	2,884
<b>Deferred tax assets</b>		4,352	4,352
		<b>48,580</b>	<b>50,031</b>
<b>Current Assets</b>			
Held-for-sale properties		9,829	10,328
Inventories		22,243	22,099
Property Development Costs		42,447	28,056
Joint-venture development costs		72,256	72,068
Due by contract customers		105,795	111,935
Amount due by related parties		25,833	23,946
Current tax assets		189	189
Trade receivables		148,571	151,384
Other receivables, deposits and prepayments		38,933	31,752
Fixed and security deposits		12,991	4,562
Cash and bank balances		2,432	5,738
		481,519	462,057
<b>TOTAL ASSETS</b>		<b>530,099</b>	<b>512,088</b>
<b>Represented by:-</b>			
<b>Share Capital</b>		120,764	103,495
<b>Reserve</b>	25	151,354	149,706
<b>Total Equity Attributable to Owners of the Company</b>		272,118	253,201
<b>Non-controlling Interests</b>		3,870	4,335
<b>Total Equity</b>		<b>275,988</b>	<b>257,536</b>
<b>Non-Current Liabilities</b>			
Bank Borrowings	18	46,598	49,985
Deferred liabilities		2,966	2,966
Deferred Tax Liabilities		2,911	2,911
		52,474	55,862
<b>Current Liabilities</b>			
Trade payables		55,192	53,657
Due to contract customers		90,853	95,874
Amount due to related parties		697	697
Other payables, deposits received and accruals		35,450	24,471
Bank borrowings	18	5,841	8,346
Provisions		2,901	2,901
Tax Liabilities		10,703	12,744
		201,637	198,690
<b>TOTAL LIABILITIES</b>		<b>254,111</b>	<b>254,552</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>530,099</b>	<b>512,088</b>
<b>Net Assets per share (RM)</b>		<b>0.6629</b>	<b>0.7416</b>

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 September 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	-	-	-	-	-	1,648	1,648	135	1,783
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(600)	(600)
<b>At 30.09.2018</b>	<b>120,764</b>	<b>(925)</b>	<b>-</b>	<b>34,770</b>	<b>-</b>	<b>117,509</b>	<b>272,118</b>	<b>3,870</b>	<b>275,988</b>

For the period ended 30 September 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	-	-	-	-	-	2,579	2,579	314	2,894
<b>At 30.09.2017</b>	<b>320,250</b>	<b>(1,731)</b>	<b>85</b>	<b>-</b>	<b>16,683</b>	<b>(89,429)</b>	<b>245,858</b>	<b>4,690</b>	<b>250,549</b>

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 9 months to 30.09.2018 RM'000	Cumulative 9 months to 30.09.2017 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	2,891	4,109
Adjustments for:-		
Depreciation	2,226	2,224
Interest expenses	855	916
Interest income	(6,616)	(3,829)
<b>Operating profit/(loss) before working capital changes</b>	<u>(644)</u>	<u>3,420</u>
<b>(Increase)/Decrease in :-</b>		
Inventories	(144)	290
Held for sale properties	499	-
Receivables	(1,057)	23,424
Land held for property development and property development costs	(14,391)	(2,619)
Joint-venture development costs	(188)	(2,782)
Due by/to contract customers	3,344	(181)
Amount due from related parties	1,422	(3,485)
<b>Increase/(Decrease) in :-</b>		
Payables	7,137	(8,960)
<b>Net cash generated from/(absorbed by) operations</b>	<u>(4,022)</u>	<u>9,107</u>
Interest received	-	-
Interest paid	(855)	(916)
Tax paid	(3,150)	(2,489)
<b>Net Cash Flow from Operating Activities</b>	<u>(8,027)</u>	<u>5,702</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	775	(136)
<b>Net Cash Flow from Investing Activities</b>	775	(136)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/(Repayment of) hire-purchase arrangement	(541)	(1,339)
Proceeds from/(Repayment of) term loans	(4,352)	(3,754)
Proceeds from placement of shares	17,269	-
<b>Net Cash Flow from Financing Activities</b>	<u>12,376</u>	<u>(5,093)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,123	473
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	6,525	2,405
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>11,648</b></u>	<u><b>2,878</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
Cash and bank balances	2,432	1,960
Fixed and security deposits	9,216	918
	<u><b>11,648</b></u>	<u><b>2,878</b></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:-

<b>Description</b>	<b>Effective for periods beginning on or after</b>
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**

	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Manufacturing and Trading RM'000</b>	<b>Total RM'000</b>
<b>Segment profit</b>	(2,760)	1,525	592	(643)
Included in the measure of segment profit are:-				
Revenue from external customers	19,419	10,705	25,272	55,397
Inter-segment revenue	2,062	-	(12,494)	(10,432)
Not included in the measure of segment profit but provided to Chief Executive Officer ("CEO"):-				
Depreciation and amortisation	(1,265)	(538)	(423)	(2,226)
Finance costs	(791)	(58)	(6)	(855)
Interest income	3,581	2,486	550	6,616
Taxation	20	(905)	(223)	(1,108)
<b>Segment Assets</b>	311,611	309,317	16,858	637,786
Included in the measure of segment assets are:-				
Additions to non-current assets other than financial instruments	-	-	(775)	(775)

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

	<b>RM'000</b>
<b>Profit or Loss</b>	
Total profit for reportable segments	(643)
Other non-reportable segments	(1)
Depreciation of plant and equipment	(2,226)
Finance costs	(855)
Interest income	6,616
<b>Consolidated profit before taxation</b>	<b>2,891</b>

**8) Segmental Information (cont'd)**

	<b>Total reportable segments RM'000</b>	<b>Non-reportable segments RM'000</b>	<b>Components not monitored by CEO RM'000</b>	<b>Elimination of inter-segment transactions or balances RM'000</b>	<b>Consolidated total RM'000</b>
External revenue	55,397	-	-	(12,494)	42,902
Depreciation of plant and equipment	(2,226)	-	-	-	(2,226)
Finance costs	(855)	-	-	-	(855)
Interest income	6,559	57	-	-	6,616
Segment assets	637,786	10,557	4,412	(122,657)	530,099
Additions to non-current assets	(775)	-	-	-	(775)

**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 September 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 23 November 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.

There is no material change in previously announced material litigations.

**14) Taxation**

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

	<b>Current Quarter At 30.09.2018 RM'000</b>	<b>Cumulative year to date RM'000</b>
Malaysian taxation based on profit for the year:-		
Current year	411	1,108
Deferred taxation:-		
Relating to reversal of temporary differences	-	-
	411	1,108

**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:-

	<b>At 30.09.2018 RM'000</b>
Investment in quoted shares, at cost	6
Investment in quoted shares, at carrying value/book value	3
Investment in quoted shares, at market value @ 23.11.2018	2

The Group has no other investment in quoted securities as at 30 September 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 was completed 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 September 2018**

	<b>RM'000</b>
<b>Short Term Borrowings</b>	
Secured:-	
Term Loan	4,616
	1,224
<b>Hire-purchase payables - repayable within 1 year</b>	1,224
<b>Total Short Term Borrowings</b>	<b>5,841</b>
<b>Long Term Borrowings</b>	
Secured:-	
Term Loan	44,914
	1,683
<b>Hire-purchase payables - repayable between 2 to 5 years</b>	1,683
<b>Total Long Term Borrowings</b>	<b>46,598</b>

**19) Financial Instruments**

The Group has no outstanding derivatives as at 30 September 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 RM17.351 million and gross profit of RM4.964 million for current quarter as compared to revenue of RM12.133 million and gross profit of RM2.655 million for previous quarter.

The Group is managing the Majlis Bandaraya Ipoh convention centre which was completed in Q3 2017 and earned rental income from the convention and parking facilities.

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

The Group recorded revenue of RM42.902 million and net profit before taxation of RM2.891 million for 9 months ended 30.09.2018 with project management & ready-mix concrete activities being the main contributor in terms of revenue & operating profits.

Property sales was affected by the sluggish domestic condition but the project management services continued to generate profit 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, 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 RM1.648 million by the weighted average number of ordinary shares in issue of 389,461,979 for the period under review.

**NA per share**

The net assets per share is calculated by dividing the Group's total equity of RM275.988 million by the number of ordinary shares in issue of 416,324,428 as at to date.

**25) Reserves**

	<b>As at</b> <b>30/09/2018</b>	<b>As at</b> <b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Non-distributable:-</u></b>		
Capital Reserve	34,770	34,770
Exchange Translation Reserve	(925)	(925)
	33,845	33,845
<b><u>Distributable:-</u></b>		
Retained earnings / (Accumulated Losses)	117,509	115,861
	<b>151,354</b>	<b>149,706</b>

**26) Authorised for issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 27 November 2018.

**SYCAL VENTURES BERHAD**

(Company No. : 547651-U)

**Part A1 : QUARTERLY REPORT**

- \* Quarterly report for the financial period ended : 30 September 2018
- \* 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 September 2018

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2018 RM'000	Preceding Year Quarter 30/09/2017 RM'000	Current Year To Date 30/09/2018 RM'000	Preceding Year To Date 30/09/2017 RM'000
1 Revenue	17,351	24,258	42,902	63,638
2 Profit/(loss) before tax	608	638	2,891	4,109
3 Profit/(loss) for the period	197	352	1,782	2,894
4 Profit/(loss) attributable to ordinary equity holders of the parent	138	355	1,648	2,579
5 Basic earnings/(loss) per share (sen)	0.04	0.11	0.42	0.81
6 Proposed/Declared dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 30 September 2018	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets/(liabilities) per share attributable to equity holders of the parent (RM)	0.6629	0.7416

**Part 3 : ADDITIONAL INFORMATION**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2018 RM'000	Preceding Year Quarter 30/09/2017 RM'000	Current Year To Date 30/09/2018 RM'000	Preceding Year To Date 30/09/2017 RM'000
1 Gross interest income	2,257	1,064	6,616	3,829
2 Gross interest expense	264	255	855	916