

CONDENSED CONSOLIDATED INCOME STATEMENT

(the figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2018 RM'000	Preceding Year To Date 31/12/2017 RM'000
Revenue	20	15,665	19,266	58,567	82,904
Cost of Sales		(12,202)	(17,532)	(43,239)	(65,865)
Gross Profit		3,463	1,734	15,328	17,039
Operating Expenses		(6,119)	(7,675)	(20,963)	(22,771)
Other Operating Income		5,850	8,512	12,576	13,328
Profit/(Loss) from Operations		3,195	2,571	6,941	7,596
Finance Costs		(260)	(462)	(1,115)	(1,378)
Profit/(Loss) before tax	21	2,934	2,109	5,825	6,218
Income tax expense	14	(1,772)	(2,293)	(2,880)	(3,508)
Profit/(Loss) for the period		1,163	(184)	2,945	2,710
Other comprehensive income, net of tax		-	721	-	721
Total Comprehensive Income for the period		1,163	537	2,945	3,431
Profit attributable to:-					
Owners of the Company		1,083	(128)	2,731	2,451
Minority Interest		79	(55)	214	259
		1,163	(184)	2,945	2,710
Total Comprehensive Income attributable to:-					
Owners of the Company		1,083	593	2,731	3,172
Minority Interest		79	(55)	214	259
		1,163	537	2,945	3,431
Earnings/(Loss) per share:-	24				
- Basic (sen)		0.27	(0.05)	0.69	0.76
- 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 31.12.2018 RM'000	Audited As at 31.12.2017 RM'000
Property, Plant and Equipment		40,565	26,403
Other Investments		-	60
Land Held for Property Development & Property Development Costs		16,332	16,332
Trade receivables		-	2,884
Deferred tax assets		4,352	4,352
		61,249	50,031
Current Assets			
Held-for-sale properties		9,829	10,328
Inventories		22,256	22,099
Property Development Costs		41,715	28,056
Joint-venture development costs		75,869	72,068
Due by contract customers		83,616	111,935
Amount due by related parties		25,779	23,946
Current tax assets		168	189
Trade receivables		165,274	151,384
Other receivables, deposits and prepayments		32,407	31,752
Fixed and security deposits		7,815	4,562
Cash and bank balances		801	5,738
		465,529	462,057
TOTAL ASSETS		526,778	512,088
Represented by:-			
Share Capital		120,764	103,495
Reserve	25	152,437	149,706
Total Equity Attributable to Owners of the Company		273,201	253,201
Non-controlling Interests		3,949	4,335
Total Equity		277,150	257,536
Non-Current Liabilities			
Bank Borrowings	18	47,315	49,985
Deferred liabilities		2,966	2,966
Deferred Tax Liabilities		2,911	2,911
		53,192	55,862
Current Liabilities			
Trade payables		56,959	53,657
Due to contract customers		86,868	95,874
Amount due to related parties		760	697
Other payables, deposits received and accruals		27,907	24,471
Bank borrowings	18	6,814	8,346
Provisions		2,577	2,901
Tax Liabilities		14,551	12,744
		196,436	198,690
TOTAL LIABILITIES		249,628	254,552
TOTAL EQUITY & LIABILITIES		526,778	512,088
Net Assets per share (RM)		0.6562	0.7292

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 year ended 31 December 2018

	<----- Attributable to Equity Holders of the Parent ----->						Total	Minority	Total
	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
Issuance of ordinary shares	17,269						17,269		17,269
Total comprehensive income for the period	-	-	-	-	-	2,731	2,731	214	2,945
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(600)	(600)
At 31.12.2018	120,764	(925)	-	34,770	-	118,592	273,201	3,949	277,150

For the year ended 31 December 2017

	<----- Attributable to Equity Holders of the Parent ----->						Total	Minority	Total
	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
Effects from adoption of Companies Act 2016	16,683				(16,683)		-		-
Effect of par value reduction	(240,188)			34,770		205,418	-		-
Issuance of ordinary shares	6,750						6,750		6,750
Total comprehensive income for the period	-	806	(85)	-	-	2,451	3,172	259	3,431
Dividends paid to non-controlling interests								(300)	(300)
At 31.12.2017	103,495	(925)	-	34,770	-	115,861	253,201	4,335	257,536

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 12 months to 31.12.2018 RM'000	Cumulative 12 months to 31.12.2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	5,825	6,218
Adjustments for:-		
Allowance for impairment loss on land held for property development and property development costs	-	295
Allowance for impairment loss on quoted shares	-	3
Allowance for impairment loss on other investment	60	-
Allowance for impairment loss on receivables	3,062	6,239
Bad debts written off	-	174
Depreciation	2,990	3,161
Interest expenses	-	1,378
Interest income	(12,174)	(10,243)
Loss/(Gain) on foreign exchange - unrealised	-	796
Payables written off	-	(56)
Provision for late delivery interest	-	194
Reversal of provision for late delivery interest	-	(175)
Utilisation of provision for employee benefits	-	(54)
Waiver of interest income	-	24
Operating profit/(loss) before working capital changes	(237)	7,954
(Increase)/Decrease in :-		
Inventories	(157)	(5,518)
Held for sale properties	499	(181)
Receivables	(16,595)	32,322
Land held for property development and property development costs	(13,659)	(12,089)
Joint-venture development costs	(3,801)	2,833
Due by/to contract customers	19,314	(11,438)
Amount due from related parties	101	6,076
Increase/(Decrease) in :-		
Payables	6,434	(12,767)
Provisions	-	(685)
Net cash generated from/(absorbed by) operations	(8,101)	6,507
Interest received	12,174	10,219
Interest paid	-	(1,378)
Tax paid	(1,073)	(4,387)
Net Cash Flow from Operating Activities	3,000	10,961
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,151)	(8,922)
Dividends paid to non-controlling interests	(600)	(300)
Increase in pledged deposits	-	(95)
Issuance of ordinary shares	17,269	6,750
Net Cash Flow from Investing Activities	(482)	(2,567)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) hire-purchase arrangement	(872)	(1,880)
Proceeds from/(Repayment of) term loans	(3,330)	(3,200)
Net Cash Flow from Financing Activities	(4,202)	(5,080)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,685)	3,314
EFFECT OF EXCHANGE RATE CHANGES	-	806
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,525	2,405
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,840	6,525
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and bank balances	801	4,562
Fixed and security deposits	7,815	5,738
Deposits pledged for bank facilities	(3,775)	(3,775)
	4,840	6,525

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	(6,294)	3,019	1,031	(2,244)
Included in the measure of segment profit are:-				
Revenue from external customers	15,882	8,285	34,400	58,567
Inter-segment revenue	27,160	-	-	27,160
Not included in the measure of segment profit but provided to Chief Executive Officer ("CEO"):-				
Depreciation and amortisation	(1,681)	(798)	(511)	(2,990)
Finance costs	(1,034)	(78)	(4)	(1,115)
Interest income	6,358	3,936	811	11,106
Taxation	(829)	(1,634)	(360)	(2,824)
Segment Assets	273,244	342,098	19,184	634,526
Included in the measure of segment assets are:-				
Additions to non-current assets other than financial instruments	4	16,344	803	17,151

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	(2,244)
Other non-reportable segments	(1)
Depreciation of plant and equipment	(2,990)
Finance costs	-
Interest income	12,174
Consolidated profit before taxation	6,940

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	58,567	-	-	-	58,567
Depreciation of plant and equipment	(2,990)	-	-	-	(2,990)
Finance costs	(1,115)	-	-	-	(1,115)
Interest income	11,049	57	-	-	11,106
Segment assets	634,526	10,499	4,412	(122,658)	526,779
Additions to non-current assets	17,151	-	-	-	17,151

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 31 December 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 21 February 2019, 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 are no material changes in previously announced material litigations.

14) Taxation

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

	Current Quarter At 31.12.2018 RM'000	Cumulative year to date RM'000
Malaysian taxation based on profit for the year:-		
Current year	1,772	2,880
Deferred taxation:-		
Relating to reversal of temporary differences	-	-
	1,772	2,880

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 31.12.2018 RM'000
Investment in quoted shares, at cost	6
Investment in quoted shares, at carrying value/book value	-
Investment in quoted shares, at market value @ 21.02.2019	2

The Group has no other investment in quoted securities as at 31 December 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 31 December 2018

	RM'000
Short Term Borrowings	
Secured:-	
Term Loan	5,515
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Hire-purchase payables - repayable within 1 year	1,299
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Total Short Term Borrowings	6,814
Long Term Borrowings	
Secured:-	
Term Loan	46,038
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Hire-purchase payables - repayable between 2 to 5 years	1,277
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Total Long Term Borrowings	47,315

19) Financial Instruments

The Group has no outstanding derivatives as at 31 December 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 RM15.665 million and gross profit of RM3.463 million for current quarter as compared to revenue of RM17.351 million and gross profit of RM4.964 million for previous quarter.

There is no material change in the quarterly results compared to previous quarter except for allowance for impairment loss on some long overdue receivables of RM3.06 million provided for in the current quarter.

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

The Group recorded revenue of RM58.567 million and net profit before taxation of RM5.825 million for the year ended 31.12.2018 with project management services 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 planned developments, the Board remains cautiously optimistic that the Group's performance will be satisfactory for the financial year ending 31 December 2019.

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 RM2.731 million by the weighted average number of ordinary shares in issue of 396,177,592 for the period under review.

NA per share

The net assets per share is calculated by dividing the Group's total equity attributable to owners of the Company of RM273.201 million by the number of ordinary shares in issue of 416,324,428 as at to date.

25) Reserves

	As at	As at
	31/12/2018	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	118,592	115,861
	152,437	149,706

26) Authorised for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 25 February 2019.

SYCAL VENTURES BERHAD

(Company No. : 547651-U)

Part A1 : QUARTERLY REPORT

- * Quarterly report for the financial period ended : 31 December 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
31 December 2018**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2018 RM'000	Preceding Year To Date 31/12/2017 RM'000
1 Revenue	15,665	19,266	58,567	82,904
2 Profit/(loss) before tax	2,934	2,109	5,825	6,218
3 Profit/(loss) for the period	1,163	(184)	2,945	2,710
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,083	593	2,731	3,172
5 Basic earnings/(loss) per share (sen)	0.27	(0.05)	0.69	0.76
6 Proposed/Declared dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 31 December 2018	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets/(liabilities) per share attributable to equity holders of the parent (RM)	0.6562	0.7292

Part 3 : ADDITIONAL INFORMATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2018 RM'000	Preceding Year To Date 31/12/2017 RM'000
1 Gross interest income	5,558	6,414	12,174	10,243
2 Gross interest expense	260	462	1,115	1,378