

The Board of Directors is pleased to announce the following :
UNAUDITED INTERIM REPORT OF THE GROUP FOR THE FIRST QUARTER ENDED 31 MARCH 2021

A) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	Current	Preceding	Changes		Current	Preceding	Changes	
	Quarter Ended 31/03/2021 RM'000	Year Quarter Ended 31/03/2020 RM'000	Amount RM'000	%	Year To Date 31/03/2021 RM'000	Year To Date 31/03/2020 RM'000	Amount RM'000	%
Revenue	109	2,927	(2,818)	-96.3%	109	2,927	(2,818)	-96.3%
Cost of Sales	(425)	(2,480)	2,055	-82.9%	(425)	(2,480)	2,055	-82.9%
Gross (Loss)/Profit	(316)	447	(763)	-170.8%	(316)	447	(763)	-170.8%
Other Income	24	151	(127)	-83.9%	24	151	(127)	-83.9%
Operating Expenses	(981)	(1,188)	207	-17.4%	(981)	(1,188)	207	-17.4%
Loss from Operations	(1,273)	(590)	(683)	115.8%	(1,273)	(590)	(683)	115.8%
Finance Costs	(129)	(422)	293	-69.4%	(129)	(422)	293	-69.4%
Loss Before Tax	(1,402)	(1,012)	(390)	38.5%	(1,402)	(1,012)	(390)	38.5%
Income Tax	-	-	-	-	-	-	-	-
Loss For The Period	(1,402)	(1,012)	(390)	38.5%	(1,402)	(1,012)	(390)	38.5%
Other Comprehensive Income, Net Of Tax	-	-	-	-	-	-	-	-
Total Comprehensive Loss For The Period	(1,402)	(1,012)	(390)	38.5%	(1,402)	(1,012)	(390)	38.5%
Total Comprehensive Loss attributable to Owners of the Company	(1,402)	(1,012)	(390)	38.5%	(1,402)	(1,012)	(390)	38.5%
Earnings per share (Sen)	(3.49)	(2.52)			(3.49)	(2.52)		

The Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

B) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31/03/2021 RM'000	Audited As At 31/12/2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,631	1,963
Goodwill on consolidation	31,509	31,509
Investment properties	5,010	5,010
Trade receivable	19,509	19,609
Deferred tax assets	1,549	1,549
Fixed deposits	3,257	3,243
	<u>62,465</u>	<u>62,883</u>
Current Assets		
Trade receivables	32,616	34,628
Other receivables	872	784
Contract assets	2,075	2,075
Other investments	167	161
Tax recoverable	112	182
Cash and bank balances	5	166
	<u>35,847</u>	<u>37,996</u>
TOTAL ASSETS	<u>98,312</u>	<u>100,879</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	122,001	122,001
Accumulated losses	(59,355)	(57,953)
Equity attributable to owners of the Company	<u>62,646</u>	<u>64,048</u>
Non current Liabilities		
Term loan > 12 months	374	535
Lease liabilities	239	311
Deferred tax liabilities	14	14
	<u>627</u>	<u>860</u>
Current Liabilities		
Trade payables	11,312	12,629
Others payables	2,896	2,613
Contract liabilities	13,492	13,391
Amount due to director	1,450	750
Lease liabilities	642	891
Term loan < 12 months	552	514
Bank overdrafts	3,106	3,002
Bank borrowings	1,589	2,068
Tax payable	-	113
	<u>35,039</u>	<u>35,971</u>
TOTAL EQUITY AND LIABILITIES	<u>98,312</u>	<u>100,879</u>
Net assets per share (RM)	1.5591	1.5939

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

C) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable To Owners</i>		
	<----- <i>Of The Company</i> ----->		
	Issued Capital	Accumulated Loss	Total Equity
	RM'000	RM'000	RM'000
Balance as of 1.1.2021	122,001	(57,953)	64,048
Total Comprehensive Loss For The Period	-	(1,402)	(1,402)
Balance as of 31.3.2021	<u>122,001</u>	<u>(59,355)</u>	<u>62,646</u>
Balance as of 1.1.2020	122,001	(53,836)	68,165
Total Comprehensive Loss For The Period	-	(1,012)	(1,012)
Balance as of 31.3.2020	<u>122,001</u>	<u>(54,848)</u>	<u>67,153</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

D) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Group	3 months ended 31/03/2021 RM'000	3 months ended 31/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,402)	(1,012)
Adjustment for non-cash items	457	776
Operating Loss Before Working Capital Changes	<u>(945)</u>	<u>(236)</u>
Changes in working capital:		
Receivables	2,024	45,068
Customers on contract	101	(2,367)
Payables	(334)	(12,347)
Income tax paid	(43)	(245)
Net Cash From Operating Activities	<u>803</u>	<u>29,873</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	-
Placement of fixed deposits pledged	(14)	(48)
Interest received	-	25
Net Cash Used In Investing Activities	<u>(16)</u>	<u>(23)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Drawdown of Banker's Acceptance	-	1,755
Finance costs paid	(129)	(422)
Repayment of bankers' acceptance	(479)	-
Repayment of finance lease liabilities	(321)	(364)
Repayment of factoring facility	-	(29,316)
Repayment of term loan	(123)	(112)
Net Cash Used In Financing Activities	<u>(1,052)</u>	<u>(28,459)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(265)	1,391
Balance as of 1 January	(2,836)	(2,966)
Balance as at end of financial period	<u>(3,101)</u>	<u>(1,575)</u>

Cash and cash equivalents at the end of the financial period comprise the following balance amount:

	As at 31/03/2021 RM'000	As at 31/03/2020 RM'000
Cash and bank balances	5	373
Bank overdrafts	(3,106)	(1,948)
Fixed deposits	3,257	3,104
Less: Fixed deposits pledged	<u>(3,257)</u>	<u>(3,104)</u>
	<u>(3,101)</u>	<u>(1,575)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

E) Part A - Explanatory Notes Pursuant To Malaysian Financial Reporting Standard 134

1. Basis of Preparation

The interim financial report is unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the Annual Financial Statements of the Group for the year ended 31 December 2020.

Apart from the above, the quarterly financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020.

2. Malaysian Financial Reporting Standards

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2020.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRSs") framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRSs") framework with the International Financial Reporting Standards ("IFRSs") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRSs on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2021. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

MFRSs and IC Interpretations that were issued but are not yet effective have not been early adopted by the Group.

3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification of the Group audited financial statements for the year ended 31 December 2020.

4. Segmental Reporting

Segmental report for the financial period ended 31 March 2021 is as follows:

	Trading RM'000	Construction RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
3 Months Ended 31/3/2021					
Revenue					
External revenue	70	39	-	-	109
Inter-segment revenue	1	-	300	(301)	-
Total revenue	<u>71</u>	<u>39</u>	<u>300</u>	<u>(301)</u>	<u>109</u>
Results					
Segment loss	(85)	(1,104)	(97)	-	(1,286)
Interest income	9	4	-	-	13
Finance cost	(92)	(34)	(3)	-	(129)
Loss before tax	<u>(168)</u>	<u>(1,134)</u>	<u>(100)</u>	<u>-</u>	<u>(1,402)</u>
3 Months Ended 31/3/2020					
Revenue					
External revenue	-	2,927	-	-	2,927
Inter-segment revenue	4,640	-	3,300	(7,940)	-
Total revenue	<u>4,640</u>	<u>2,927</u>	<u>3,300</u>	<u>(7,940)</u>	<u>2,927</u>
Results					
Segment (loss)/profit	(22)	(467)	2,874	(3,000)	(615)
Interest income	16	9	-	-	25
Finance cost	(91)	(328)	(3)	-	(422)
(Loss)/Profit before tax	<u>(97)</u>	<u>(786)</u>	<u>2,871</u>	<u>(3,000)</u>	<u>(1,012)</u>

Sales Revenue By Geographical Market

The Group's revenue is derived wholly from its operating activities in Malaysia.

5. Unusual Item Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

6. Change Of Estimates Used

There was no material change in estimates for the current financial quarter under review.

7. Seasonality Or Cyclicity Of Interim Operations

The Group's operations are not significantly affected by any seasonal or cyclical factors.

8. Dividends Paid

There was no dividend paid during the current financial quarter under review (2020: nil).

9. Issuance, Cancellation, Repurchases, Resale and Repayments Of Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current financial quarter ended 31 March 2021.

10. Material Events Not Reflected In The Financial Statements

There were no material events in the current financial quarter under review that have not been reflected in the financial statements for the said period.

11. Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current financial quarter ended 31 March 2021. However, on 1 April 2021, the Company acquired 100% equity interest in Plutovest Sdn Bhd which has a paid-up capital of RM1.00. Plutovest Sdn Bhd is currently dormant.

12. Capital Commitments

There is no capital commitment which has not been reflected in the interim financial statements for the current financial quarter ended 31 March 2021.

13. Contingent Liabilities/Assets

The Company has issued unsecured corporate guarantees totalling RM101.4 million to certain financial institutions and building materials suppliers for credit facilities granted to its subsidiary companies. Accordingly, the Company is contingently liable to such financial institutions and suppliers to the extent of the amount of credit facilities utilised. There is no contingent assets as at the date of this report.

14. Recurrent Related Party Transactions

Details of the relationship between the Group and its related parties are as described below.

Name of Related Parties**Relationship**

(a) Pujian Development Sdn Bhd ("Pujian") *

Pujian is a subsidiary of Ecofirst Consolidated Berhad in which Dato' Tiong Kwing Hee ("Dato' Tiong") is the Group Chief Executive Officer, Director and major shareholder. Dato' Tiong is also the Managing Director and major shareholder of Mercury.

(b) Cova Design & Contract Sdn Bhd ("Cova") *

Mr An Siew Chong, who is a director of Paramount Bounty Sdn Bhd ("PBSB") is also a director and shareholder in Cova.

* Shareholders' mandate has already been obtained at the last Annual General Meeting held on 24 June 2020.

The information on the transactions which have been entered into with the Group during the period is as follows:

Nature of	Current	Year
	Quarter	to date
	31/03/2021	31/03/2021
	RM'000	RM'000
(a) Pujian		
(i) Civil & construction works for Pujian	118	118
(ii) Rental of office space and parking lots from Pujian	61	61

15. Material Subsequent Event

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements for the said period.

F) Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad**16. Review Of Performance**

During the current financial quarter under review, Group's revenue decreased by RM2.82 million (-96.3%) to RM0.11 million as compared to RM2.93 million achieved in the corresponding quarter in 2020, while Group's pretax loss increased by RM0.39 million (+38.5%) to a pretax loss of RM1.40 million as compared to Group's pretax loss of RM1.01 million achieved in the corresponding quarter of 2020. The explanation for the variances is as stated in the segmental review below.

For the Construction Segment, the Group has difficulty in replenishing its orderbook with new construction projects due to the negative impact and the uncertainties generated by the Covid-19 pandemic and the overhang of unsold completed properties. As a results of the lack of construction works, revenue has decreased by RM2.89 million (-98.7%) to RM0.04 million while pretax loss increased by RM0.35 million (+44.3%) to a pretax loss of RM1.13 million as compared to the revenue of RM2.93 million and pretax loss of RM0.79 million achieved in the corresponding quarter of 2020. In spite of the difficult operating environment, the construction subsidiary is still actively pursuing to secure new contracts.

For the Trading Segment, revenue decreased by RM4.57 million (-98.5%) to RM0.07 million while profitability decreased by RM0.07 million to a pretax loss of RM0.17 million as compared to the revenue of RM4.64 million and pretax loss of RM0.10 million achieved in the corresponding quarter of 2020. The decrease in both revenue and profitability was due to the absence of new construction project by its sister company, Paramount Bounty Sdn Bhd and the restriction on sales to external customers due to the credit risk on debt collectability during the current economic downturn in the residential construction sector.

For the Investment Holding Segment, it recorded a pretax loss of RM0.10 million during the current quarter as compared to the pretax profit of RM2.87 million in the corresponding quarter of 2020. In the corresponding quarter, there was a dividend income of RM3.0 million from a subsidiary company. Excluding this dividend income, the pretax loss in the corresponding period in 2020 amounted to RM0.13 million.

With regards to the Covid-19 pandemic, the Group is likely to experience: (i) a delay in securing new construction projects as housing developers postpone the launching of new projects and (ii) a delay in debts collection from its customers.

17. Comparison With Previous Quarter's Results

	Current Quarter	Previous Quarter	Changes	
	31/3/2021	31/12/2020	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	109	4,907	(4,798)	(97.8)
Operating (Loss)/Profit	(1,273)	578	(1,851)	(320.3)
(Loss)/Profit Before Interest and Tax	(1,273)	578	(1,851)	(320.3)
Loss Before Tax	(1,402)	(926)	(476)	51.4
Loss After Tax	(1,402)	(954)	(448)	47.0
Loss Attributable to Owners of the Company	(1,402)	(954)	(448)	47.0

The comparison of the performance over the two quarters can be explained by the following breakdown:

	Trading	Construction	Investment Holding	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
a) Turnover					
i) For the current quarter ended 31/3/2021	71	39	300	(301)	109
ii) For the previous quarter ended 31/12/2020	1,439	4,702	300	(1,534)	4,907
Variance (value)	(1,368)	(4,663)	-	1,233	(4,798)
Variance (%)	-95.1%	-99.2%	0.0%	-80.4%	-97.8%
b) Pretax Loss					
i) For the current quarter ended 31/3/2021	(168)	(1,134)	(100)	-	(1,402)
ii) For the previous quarter ended 31/12/2020	(141)	(712)	(73)	-	(926)
Variance (value)	(27)	(422)	(27)	-	(476)
Variance (%)	19.1%	59.3%	37.0%	-	51.4%

For the current quarter, revenue decreased by RM4.80 million (-97.8%) while pretax loss increased by RM0.48 million (+51.4%) as compared to the previous quarter. The increase in pretax loss was mainly due to the decrease in revenue.

18. Prospects For 2021

With the resurgence of the Covid-19 pandemic and the extension of Movement Control Order in Malaysia, the negative impact of the pandemic on the economic activities and rising unemployment in Malaysia will exacerbate the problems associated with the high overhang of unsold completed properties. It will prolong the tough operating environment in the residential properties and construction sector as developers delay the launch of new projects. However, the Group's construction arm is hopeful of securing some new construction projects from its developer clients in the third quarter of this year.

In spite of the extension of the Movement Control Order and the economic uncertainties arising from the Covid-19 pandemic, the Board is cautiously optimistic that the performance of the Group in 2021 will improve when new construction projects are secured.

19. Variance From Profit Forecast

This note is not applicable.

20. Loss For The Period

Loss for the period is arrived at:

	Current Quarter	Corresponding Quarter	Year to date	Year to date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation & amortisation	334	379	334	379
Fair value adjustment on other investments	(7)	-	(7)	-
Interest expenses	129	422	129	422
Rental expense	79	58	79	58

And after crediting:

Interest income	13	25	13	25
Rental income	4	11	4	11

21. Income Tax Expense

	Current Quarter 31/03/2021 RM'000	Year to date 31/03/2021 RM'000
Provision for current taxation - Current year	<u>-</u>	<u>-</u>

22. Gain or Loss On Derivatives

This is not applicable as the Group does not deal in derivatives.

23. Exceptional Items

There were no exceptional items during the current financial quarter under review.

24. Status Of Corporate Proposals

On 24 March 2021, the Company announced its proposal to undertake a private placement of up to 10% of the Company's existing issued shares of 40,182,000, under the shareholders' mandate obtained at the 37th Annual General Meeting. The placement shares will be priced at not more than 10% discount to the 5-day volume weighted average market price of the Company's shares immediately preceding to the price-fixing date for the placement shares. The share price has been fixed at RM0.7557 per share as at 29 March 2021. The private placement had been completed on 7 April 2021 when the new shares were listed on the Main Market of Bursa Malaysia Securities Berhad.

25. Group Borrowings And Debt Securities

(a) The Group's borrowings as of 31 March 2021 are as follows:

	As At Period Ended 31/3/2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured:-			
Term loan	374	552	926
Bank overdraft	-	3,106	3,106
Bankers' acceptance	-	1,589	1,589
	<u>374</u>	<u>5,247</u>	<u>5,621</u>
	As At Period Ended 31/3/2020		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured:-			
Term loan	799	556	1,355
Bank overdraft	-	1,948	1,948
Bankers' acceptance	-	5,851	5,851
	<u>799</u>	<u>8,355</u>	<u>9,154</u>
Unsecured:-			
Bankers' acceptance	-	2,009	2,009
	<u>-</u>	<u>2,009</u>	<u>2,009</u>
Total	<u>799</u>	<u>10,364</u>	<u>11,163</u>

(b) There were no borrowings or debt securities denominated in foreign currencies.

26. Changes In Material Litigation

There is no material litigation as of the date of this report.

27. Dividend Payable

The Board has not proposed any dividend for the current financial quarter under review (2020: nil).

28. Profit Guarantee

In the acquisition of the 100% equity interest in MBS, the vendors have guaranteed that MBS will achieve an audited Profit After Tax ("PAT") of RM1.0 million per annum for each of the financial years ending 31 December 2018, 2019 and 2020. The cumulative audited PAT for the three financial years ended 31 December 2020 amounted to RM1.20 million.

29. Losses Per Ordinary Share

The basic losses per share is calculated by dividing the loss for the period attributable to the Owners of the Company by the weighted average number of ordinary shares in issue during the period:-

	<u>Current Quarter</u>		<u>Year to date</u>	
	<u>31/03/2021</u>	<u>31/03/2020</u>	<u>31/03/2021</u>	<u>31/03/2020</u>
Loss attributable to Owners of the Company (RM'000)	(1,402)	(1,012)	(1,402)	(1,012)
Weighted average number of ordinary shares in issue ('000)	40,182	40,182	40,182	40,182
Basic losses per share (Sen)	<u>(3.49)</u>	<u>(2.52)</u>	<u>(3.49)</u>	<u>(2.52)</u>