

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Unaudited As at 31.12.2020 RM'000	Audited As at 31.03.2020 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	4,841	5,155
Investment properties	16,506	14,530
Intangible assets	856	856
	<b>22,203</b>	<b>20,541</b>
<b>Current Assets</b>		
Inventories	-	1,214
Contract assets	8,055	1,460
Work in progress	2,193	-
Trade receivables	16,985	13,307
Other receivables, deposits and prepayments	11,540	5,658
Current tax assets	461	27
Deposits placed with licensed banks	4,015	4,755
Cash and bank balances	8,044	18,599
	<b>51,293</b>	<b>45,020</b>
Assets held for sale	-	5,532
	<b>73,496</b>	<b>71,093</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owner Of The Parent</b>		
Share capital	31,713	31,713
Retained earnings	15,348	16,983
Shareholders' Equity	47,061	48,696
Non-Controlling Interest	2,655	2,208
<b>Total Equity</b>	<b>49,716</b>	<b>50,904</b>
<b>Non Current Liabilities</b>		
Loans and borrowings	1,238	1,309
Deferred tax liabilities	214	214
	<b>1,452</b>	<b>1,523</b>
<b>Current Liabilities</b>		
Contract liabilities	1,177	1,997
Trade payables	8,987	8,710
Other payables, accruals and deposits	10,938	7,474
Loans and borrowings	1,226	415
Current tax liabilities	-	70
	<b>22,328</b>	<b>18,666</b>
<b>Total Liabilities</b>	<b>23,780</b>	<b>20,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,496</b>	<b>71,093</b>
Net assets per share attributable to owner of the parent	<b>0.70</b>	<b>0.73</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020)

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	20,657	19,524	34,784	66,917
Cost of Sales	(17,770)	(16,977)	(31,173)	(60,830)
Gross Profit	2,887	2,547	3,611	6,087
Other Operating Income	314	1,463	3,228	1,870
Total Income	3,201	4,010	6,839	7,957
Admin Operating Costs	(2,387)	(2,321)	(6,644)	(7,677)
Profit from Operation	814	1,689	195	280
Finance Costs	(36)	(80)	(58)	(354)
Profit / (Loss) before taxation	778	1,609	137	(74)
Taxation	254	(331)	(50)	(528)
Deferred taxation	-	-	-	-
Profit / (Loss) after taxation	1,032	1,278	87	(602)
Total Comprehensive Income/(Loss) For The Period	1,032	1,278	87	(602)
Profit / (Loss) attributable to :				
Owners of the parent	1,032	1,002	40	(1,284)
Non-controlling interest	-	276	47	682
Profit / (Loss)	1,032	1,278	87	(602)
Total Comprehensive Income/(Loss) attributable to :				
Owners of the parent	1,032	1,002	40	(1,284)
Non-controlling interest	-	276	47	682
Total Comprehensive Income / (Loss)	1,032	1,278	87	(602)
Profit / (Loss) per share : -- - basic / diluted	sen 1.54	sen 1.50	sen 0.06	sen (1.92)

Notes :

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020

Nine Months Ended 31 December 2020

←Attributable to Equity Holders of the Company →

	Share Capital RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 April 2020	31,713	16,983	48,696	2,208	50,904
Total comprehensive income for the period	-	40	40	47	87
Issuance of share to non controlling interest		-	-	400	400
Dividend paid		(1,675)	(1,675)	-	(1,675)
At 31 December 2020	31,713	15,348	47,061	2,655	49,716

Nine Months Ended 31 December 2019

←Attributable to Equity Holders of the Company →

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 April 2019	74,713	(28,857)	45,856	2,161	48,017
Total comprehensive (loss) / income for the period	-	(1,284)	(1,284)	682	(602)
At 31 December 2019	74,713	(30,141)	44,572	2,843	47,415

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020)

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	Note	9 MONTHS PERIOD ENDED 31.12.2020	9 MONTHS PERIOD ENDED 31.12.2019
		RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		137	(74)
Adjustments for :			
Non-cash items		358	426
Non-operating items (which are investing / financing)		<b>(3,964)</b>	520
Operating (loss) / profit before changes in working capital		<b>(3,469)</b>	872
Changes in working capital :			
Net changes in current assets		<b>(18,307)</b>	2,948
Net changes in current liabilities		<b>9</b>	6,985
Cash (used in) / generated from operations		<b>(21,767)</b>	10,805
Tax paid		<b>(469)</b>	(387)
Net cash (used in) / from operating activities		<b>(22,236)</b>	10,418
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash from investing activities		<b>12,674</b>	3,675
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		<b>(1,830)</b>	(725)
Net (decrease) / increase in cash and cash equivalents		<b>(11,392)</b>	13,368
Cash and cash equivalents at beginning of financial year		<b>18,577</b>	(1,303)
Cash and cash equivalents at end of the quarter	(i)	<b>7,185</b>	12,065
Note (i) :			
Represented by :			
Cash and bank balances		<b>8,044</b>	12,533
Deposits placed with licensed banks		<b>4,015</b>	4,403
Less : Pledged deposits		<b>(4,015)</b>	(4,403)
		<b>8,044</b>	12,533
Less : Bank Overdraft		<b>(859)</b>	(468)
		<b>7,185</b>	12,065

The Condensed Consolidated Statements Of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.

## **STELLA HOLDINGS BERHAD**

Company No. 199701004603 (420099-X)  
(Incorporated In Malaysia)

### **Notes to the Interim Financial Report**

#### **A1 Corporate Information**

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

#### **A2 Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 March 2020.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 31 March 2020 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 April 2019 as disclosed below.

#### Amendments / Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statement
MFRS 108	Accounting Policies, Change in Accounting Estimate and Errors
MFRS 139	Financial Instruments Recognition and Measurement

The adoption of these amendments / improvements have no material impact to these interim financial statements.

**A3 Seasonal or cyclical factors**

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

**A4 Items affecting assets, liabilities, equity, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current financial quarter.

**A5 Change in estimates**

There were no significant changes in the estimates of amounts reported in the interim periods of prior financial years that have a material effect in the current financial period.

**A6 Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares for the current financial year to-date.

**A7 Dividend paid**

During the financial quarter ended 31 December 2020 under review, a final single-tier dividend of 2.5 sen per ordinary share for the financial year ended 31 March 2020 was paid on 27 October 2020 to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 7 October 2020.

## A8 Segment Revenue and Segment Result by Business Segments

Segment information is presented in respect of the Group's business segment. All inter-segment transactions have been entered into in the normal course of business and have been established under terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of the inter-segment transactions are eliminated on consolidation.

Business Segments	Investment Holding RM'000	Property Development RM'000	Construction RM'000	Property Investment RM'000	Maintenance, Facility Management and Services RM'000	Oil & Gas RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>9 months ended 31 December 2020</b>										
<b>Revenue</b>										
External sales	-	13,844	16,958	70	-	3,912	-	-	-	34,784
Inter-segment sales	-	-	-	166	-	-	-	-	(166)	-
	<u>-</u>	<u>13,844</u>	<u>16,958</u>	<u>236</u>	<u>-</u>	<u>3,912</u>	<u>-</u>	<u>-</u>	<u>(166)</u>	<u>34,784</u>
Segment (Loss) / Profit	(907)	1,169	(153)	7	(7)	148	(28)	(9)	(25)	195
Finance costs	-	-	(31)	-	-	(27)	-	-	-	(58)
(Loss) / Profit before tax	<u>(907)</u>	<u>1,169</u>	<u>(184)</u>	<u>7</u>	<u>(7)</u>	<u>121</u>	<u>(28)</u>	<u>(9)</u>	<u>(25)</u>	<u>137</u>
Taxation	-	4	(16)	(19)	-	(19)	-	-	-	(50)
<b>(Loss) / Profit after tax</b>	<u><u>(907)</u></u>	<u><u>1,173</u></u>	<u><u>(200)</u></u>	<u><u>(12)</u></u>	<u><u>(7)</u></u>	<u><u>102</u></u>	<u><u>(28)</u></u>	<u><u>(9)</u></u>	<u><u>(25)</u></u>	<u><u>87</u></u>

**A8 Segment Revenue and Segment Result by Business Segments (cont'd)**

Business Segments	Investment Holding RM'000	Property Development RM'000	Construction RM'000	Property Investment RM'000	Maintenance, Facility Management and Services RM'000	Oil & Gas RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>9 months ended 31 December 2019</b>										
<b>Revenue</b>										
External sales	-	1,006	58,103	49	(13)	7,772	-	-	-	66,917
Inter-segment sales	1,000	-	-	166	1	-	-	-	(1,167)	-
	<u>1,000</u>	<u>1,006</u>	<u>58,103</u>	<u>215</u>	<u>(12)</u>	<u>7,772</u>	<u>-</u>	<u>-</u>	<u>(1,167)</u>	<u>66,917</u>
Segment (Loss) / Profit	(606)	(32)	1,151	46	(968)	1,690	-	(9)	(992)	280
Finance costs	-	-	(279)	-	(27)	(48)	-	-	-	(354)
(Loss) / Profit before tax	<u>(606)</u>	<u>(32)</u>	<u>872</u>	<u>46</u>	<u>(995)</u>	<u>1,642</u>	<u>-</u>	<u>(9)</u>	<u>(992)</u>	<u>(74)</u>
Taxation	-	(86)	(179)	(12)	-	(251)	-	-	-	(528)
<b>(Loss) / Profit after tax</b>	<u>(606)</u>	<u>(118)</u>	<u>693</u>	<u>34</u>	<u>(995)</u>	<u>1,391</u>	<u>-</u>	<u>(9)</u>	<u>(992)</u>	<u>(602)</u>



**A9 Valuation of property, plant and equipment and investment properties**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statement for the year ended 31 March 2020.

**A10 Material subsequent events**

There were no material events subsequent to the end of the financial quarter ended 31 December 2020.

**A11 Changes in composition of the Group**

There were no changes in the composition of the Group for the current period under review.

**A12 Contingent liabilities or contingent assets**

The Company has given corporate guarantees amounting to RM40.03 million (31/03/2020 : RM47.92 million) to licensed banks for banking facilities granted to a subsidiary company. Consequently, the Company is contingently liable for the amount of banking facilities utilised by subsidiaries company amounting to RM10.06 million (31/03/2020 : RM8.58 million)

## **Additional information required by Bursa Malaysia Listing Requirements**

### **B1 Review of performance**

	INDIVIDUAL PERIOD (3rd QUATER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER		CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	
	31.12.2020 RM'000	31.12.2019 RM'000	Change %	31.12.2020 RM'000	31.12.2019 RM'000	Change %
Revenue	20,657	19,524	6%	34,784	66,917	-48%
Operating profit	814	1,689	-52%	195	280	-30%
Profit Before Interest and Tax	814	1,689	-52%	195	280	-30%
Profit / (Loss) Before Tax	778	1,609	-52%	137	(74)	285%
Profit / (Loss) After Tax	1,032	1,278	-19%	87	(602)	114%
Profit / (Loss) Attributable to Owners of the Company	1,032	1,002	3%	40	(1,284)	103%

#### **Quarterly**

For the current quarter, the Group recorded revenue of RM20.66 million and profit before tax of RM778,000 compared to corresponding preceding year quarter revenue of RM19.52 million and profit before tax of RM1.61 million respectively.

Revenue for the current quarter shown a slight increase by 6% compared to preceding year's corresponding quarter in view of the good progress in development segment for the sales of affordable houses in Taman Sengkang, Negeri Sembilan.

Declined of the profit for the current quarter mainly due to recognition of gain on disposal of assets in the preceding year's corresponding quarter. The profit for the current quarter was largely contributed from property development segment and implementation of cost cutting exercise.

#### **Year-to-date**

For the nine months ended 31 December 2020, the Group recorded revenue of RM34.78 million and profit before tax of RM137,000 as compared to the corresponding preceding nine month ended 31 December 2019 revenue of RM66.92 million and loss before tax of RM74,000 respectively.

The significant decline in revenue by 48% mainly due to slower recognition of revenue from constructions and property development segment during the Recovery Movement Control Order (RMCO) period implementation since 10<sup>th</sup> June 2020 as businesses in recovery stage after disruptions of project progress from previous imposed Movement Control Order (MCO) and Conditional Movement Control Order (CMCO).

The property development segments are focused to accelerate the progress on constructions, sales and loan approvals to catch up with the delays in the previous quarters.

The revenue recognition under construction segment showing a slow down as their major contributor namely Project Loji Rawatan Air Pagoh has completed. Nonetheless, the newly awarded project, “The Construction and completion of incoming water pipe, suction tank, pump house, elevated water tank, force main water pipe, utilities mapping, pipe jacking, retaining wall, pencawang elektrik and associated infrastructure works at Plot 1 and 2, Nilai Impian 2, Mukim Setul, Daerah Seremban, Negeri Sembilan Darul Khusus” from Sime Darby Property (Nilai) Sdn Bhd with a contract value of RM20.97 million will enhance the revenue in the next quarters.

The small oil and gas segments still remain challenging given the fluctuation of crude oil price and economy slowdown.

Notwithstanding the decrease in revenue by all segments, the Group recorded profit before tax of RM137,000 compare to the loss before tax of RM74,000 in the corresponding preceding nine month ended 31 December 2019. The enhance performance were contributed from recoverable insurance compensation claim from Pagoh project (RM495,000), write back of debts (RM463,000), PERKESO wage subsidy (RM302,000) and increase in repo interest income (RM183,000). Administration operating cost also reduced by 14% as a results of cost saving exercise.

**B2 Comparison of the quarterly results to the results of the immediate preceding quarter.**

	CURRENT QUARTER ENDED 31.12.2020 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.09.2020 RM'000	Change %
Revenue	20,657	11,872	74%
Operating Profit	814	92	785%
Profit Before Interest and Tax	814	92	785%
Profit Before Tax	778	77	910%
Profit After Tax	1,032	11	9282%
Profit / (Loss) Attributable to Owners of the Company	1,032	(21)	5014%

For the current quarter, the Group recorded revenue of RM20.66 million and profit before tax of RM778,000 compared to the immediate preceding quarter of revenue of RM11.87 million and profit before tax RM77,000.

The higher revenue was recorded for the current quarter compared to the preceding immediate quarter due to increase in construction site productivity and acceleration of progress of affordable houses in Taman Sengkang.

The profit before tax increased significantly compared to the preceding immediate quarter mainly due to the good sales performance of the Sengkang project and the higher profit margin. This increased the profit for the quarter.

### **B3 Prospects**

Our Group will continue to focus on our existing core business segments namely construction, property development and oil and gas support services as well as our new business venture in the healthcare services.

For construction and oil and gas support services segments, we have submitted several tenders to our existing clients and at the same time undertaking more marketing activities to explore new clients within peninsular Malaysia to secure for more projects. On 16 December 2020, we have received a Letter of Acceptance from Sime Darby Property (Nilai) Sdn Bhd, Nilai Impian 2, Negeri Sembilan Darul Khusus with a contract sum amounting to RM20.97 million for a contract period of 18 months.

As for our property development segment, we are currently focusing on our on-going project at Taman Sengkang, Port Dickson. The sales of the affordable houses in Taman Sengkang is progressing well and is expected to complete and hand over to purchasers by second half of 2021. Apart for the on-going project at Taman Sengkang, the joint venture projects with Permodalan Negeri Selangor Berhad in Kuala Selangor and Amni Corporation in Kuantan are currently at the planning stage. We expect the projects to kick start during the second half of 2021.

As for our new business venture in healthcare services, we are in the midst of applying for the necessary approvals from Kementerian Kesihatan Malaysia to operate the hospital kanak-kanak dan wanita in Putrajaya under the new joint venture company, Stella Kasih Healthcare Sdn Bhd. We expect the hospital to be operational by second half of 2021.

Our Board is confident that with the existing projects in hand under the property development segment and the new projects awarded, we are able to sustain our Group's earnings post financial year ending 31 March 2021.

**B4 Profit forecast**

Not applicable.

**B5 Profit Before Tax**

Profit before tax is arrived at after (crediting) / charging :-

	Current Quarter 31-Dec-20 RM'000	Preceding Year Quarter 31-Dec-19 RM'000	Current YTD 31-Dec-20 RM'000	Preceding Year YTD 31-Dec-19 RM'000
Interest income	(48)	(39)	(247)	(66)
Interest expenses	36	80	58	354
Depreciation expenses	111	127	358	426
Foreign Exchange Loss	53	4	75	36

**B6 Taxation**

	Current Quarter 31-Dec-20 RM'000	Preceding Year Quarter 31-Dec-19 RM'000	Current YTD 31-Dec-20 RM'000	Preceding Year YTD 31-Dec-19 RM'000
- Prior Year Tax	4	37	4	37
- Current Year Tax	6	294	34	491
- Real Property Gain Tax	(264)	0	12	0
	(254)	331	50	528

Provision for tax was made in the current quarter on business and non business income derived mainly from operating income, rental, interest on repo and fixed deposit.

**B7 Unquoted investments and properties**

There was no sale of unquoted investments or properties for the current quarter and financial period to date.

**B8 Purchase or disposal of quoted investments**

There was no purchase or disposal of quoted investments for the current quarter.

**B9 Borrowing**

The Group borrowings are as follows: -

	As at 31-Dec-20 RM'000	As at 31-Mar-20 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	859	22
- Lease Liabilities	302	351
- Term Loans	65	42
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	198	227
- Term Loans	1,040	1,082
Total Borrowings	2,464	1,724

**B10 Material litigation**

There is no material litigation for the financial period as at 31 December 2020.

**B11 Dividend**

No dividends were proposed or declared for the current quarter and financial year to date (2020 : RM1.68 million).

**B12 Earnings per share**

The basic profit per share for the financial period has been calculated based on the consolidated profit after taxation attributable to the owner of the parent of RM40,000 and on the number of ordinary shares issue of 67,000,000.

By Order of the Board  
Yew @ Yeoh Siew Yen  
MAICSA 7048094  
Company Secretary  
Shah Alam  
24 February 2021