

STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Unaudited As at 31.03.2021 RM'000	Audited As at 31.03.2020 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	12,707	5,155
Investment properties	16,590	14,530
Intangible assets	856	856
	30,153	20,541
Current Assets		
Inventories	-	1,214
Property development costs	12,813	-
Contract costs	595	-
Contract assets	8,514	1,460
Trade receivables	18,321	13,307
Other receivables, deposits and prepayments	3,444	5,658
Current tax assets	382	27
Deposits placed with licensed banks	4,834	4,755
Cash and bank balances	9,722	18,599
	58,625	45,020
Assets held for sale	-	5,532
	88,778	71,093
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity Attributable To Owner Of The Parent		
Share capital	31,713	31,713
Retained earnings	18,358	16,983
Shareholders' Equity	50,071	48,696
Non-Controlling Interest	2,595	2,208
Total Equity	52,666	50,904
Non Current Liabilities		
Loans and borrowings	1,262	1,309
Deferred tax liabilities	236	214
	1,498	1,523
Current Liabilities		
Contract liabilities	806	1,997
Trade payables	10,231	8,710
Other payables, accruals and deposits	15,799	7,474
Loans and borrowings	7,768	415
Current tax liabilities	10	70
	34,614	18,666
Total Liabilities	36,112	20,189
TOTAL EQUITY AND LIABILITIES	88,778	71,093
Net assets per share attributable to owner of the parent	0.75	0.73

(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 TWELVE MONTHS PERIOD ENDED 31 MARCH 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Revenue	25,726	5,162	60,509	72,079
Cost of Sales	(19,656)	(4,781)	(50,829)	(65,611)
Gross Profit	6,070	381	9,680	6,468
Other Operating Income	868	7,635	4,096	9,505
Total Income	6,938	8,016	13,776	15,973
Admin Operating Costs	(3,599)	(3,313)	(10,242)	(10,990)
Profit from Operation	3,339	4,703	3,534	4,983
Finance Costs	(215)	(40)	(273)	(394)
Profit before taxation	3,124	4,663	3,261	4,589
Taxation	(152)	(684)	(201)	(1,212)
Deferred taxation	(22)	1	(22)	1
Profit after taxation	2,950	3,980	3,038	3,378
Total Comprehensive Income For The Period	2,950	3,980	3,038	3,378
Profit attributable to :				
Owners of the parent	3,011	4,124	3,051	2,840
Non-controlling interest	(61)	(144)	(13)	538
Profit	2,950	3,980	3,038	3,378
Total Comprehensive Income attributable to :				
Owners of the parent	3,011	4,124	3,051	2,840
Non-controlling interest	(61)	(144)	(13)	538
Total Comprehensive Income	2,950	3,980	3,038	3,378
Profit per share : -- - basic / diluted	sen 4.49	sen 6.16	sen 4.55	sen 4.24

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 STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Group					
At 1 April 2019	74,713	(28,857)	45,856	2,161	48,016
Total comprehensive profit for the financial year	-	2,840	2,840	538	3,378
Transactions with owners					
Changes in ownership interest in a subsidiary	(43,000)	43,000	-	-	
Dividend paid on shared	-	-	-	(490)	(490)
Total transactions with owners	(43,000)	43,000	-	(490)	(490)
At 31 March 2020	31,713	16,983	48,696	2,208	50,904
Total comprehensive profit for the financial year	-	3,051	3,051	(13)	3,037
Transactions with owners					
Changes in ownership interest in a subsidiary	-	-	-	400	400
Dividend paid on shared	-	(1,675)	(1,675)	-	(1,675)
Total transactions with owners	-	(1,675)	(1,675)	400	(1,275)
At 31 March 2021	31,713	18,359	50,072	2,595	52,666

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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 TWELVE MONTHS PERIOD ENDED 31 MARCH 2021

	Note	12 MONTHS	12 MONTHS
		PERIOD ENDED	PERIOD ENDED
		31.03.2021	31.03.2020
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,261	4,589
Adjustments for :			
Non-cash items		(7,427)	822
Non-operating items (which are investing / financing)		(4,104)	(7,668)
Operating loss before changes in working capital		(8,270)	(2,257)
Changes in working capital :			
Net changes in current assets		(23,251)	8,543
Net changes in current liabilities		9,752	(1,644)
Cash (used in) / generated from operations		(21,769)	4,642
Tax paid		(559)	(987)
Net cash (used in) / from operating activities		(22,328)	3,655
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		8,093	18,906
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		3,815	(1,569)
Net (decrease) / increase in cash and cash equivalents		(10,420)	20,992
Cash and cash equivalents at beginning of financial year		18,577	(1,303)
Cash and cash equivalents at end of the quarter	(i)	8,157	19,689
Note (i) :			
Represented by :			
Cash and bank balances		9,722	18,599
Deposits placed with licensed banks		4,834	4,755
Less : Pledged deposits		(4,834)	(3,643)
		9,722	19,711
Less : Bank Overdraft		(1,565)	(22)
		8,157	19,689

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 has no material impact to these interim financial statements.

Notes to the Interim Financial Report

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

No dividends were paid for the current quarter under review.

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	Healthcare RM'000	Others RM'000	Elimination RM'000	Group RM'000
12 months ended 31 March 2021										
Revenue										
External sales	-	29,447	27,177	100	-	4,785	-	-	-	61,509
Inter-segment sales	-	-	-	166	-	-	-	-	(166)	-
	<u>-</u>	<u>29,447</u>	<u>27,177</u>	<u>266</u>	<u>-</u>	<u>4,785</u>	<u>-</u>	<u>-</u>	<u>(166)</u>	<u>61,509</u>
Segment Profit / (Loss)	1,145	4,427	128	375	(93)	460	(360)	44	(2,592)	3,534
Finance costs	(3)	(185)	(49)	-	-	(36)	-	-	-	(273)
Profit / (Loss) before tax	<u>1,142</u>	<u>4,242</u>	<u>79</u>	<u>375</u>	<u>(93)</u>	<u>424</u>	<u>(360)</u>	<u>44</u>	<u>(2,592)</u>	<u>3,261</u>
Taxation	(10)	4	(16)	(23)	-	(156)	-	-	-	(201)
Deferred Tax	-	-	-	(19)	-	(3)	-	-	-	(22)
Profit / (Loss) after tax	<u>1,132</u>	<u>4,246</u>	<u>63</u>	<u>333</u>	<u>(93)</u>	<u>265</u>	<u>(360)</u>	<u>44</u>	<u>(2,592)</u>	<u>3,038</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	Healthcare RM'000	Others RM'000	Elimination RM'000	Group RM'000
12 months ended 31 March 2020										
Revenue										
External sales	-	35	62,756	65	(34)	9,257	-	-	-	72,079
Inter-segment sales	5,020	-	-	222	1	-	-	-	(5,243)	-
	<u>5,020</u>	<u>35</u>	<u>62,756</u>	<u>287</u>	<u>(33)</u>	<u>9,257</u>	<u>-</u>	<u>-</u>	<u>(5,243)</u>	<u>72,079</u>
Segment Profit / (Loss)	2,115	(636)	6,907	82	(1,082)	1,646	-	(10)	(4,039)	4,983
Finance costs	(5)	-	(298)	-	(27)	(64)	-	-	-	(394)
Profit / (Loss) before tax	<u>2,110</u>	<u>(636)</u>	<u>6,609</u>	<u>82</u>	<u>(1,109)</u>	<u>1,582</u>	<u>-</u>	<u>(10)</u>	<u>(4,039)</u>	<u>4,589</u>
Taxation	-	(90)	(617)	(18)	-	(486)	-	-	-	(1,211)
Profit / (Loss) after tax	<u><u>2,110</u></u>	<u><u>(726)</u></u>	<u><u>5,992</u></u>	<u><u>64</u></u>	<u><u>(1,109)</u></u>	<u><u>1,096</u></u>	<u><u>-</u></u>	<u><u>(10)</u></u>	<u><u>(4,039)</u></u>	<u><u>3,378</u></u>

Notes to the Interim Financial Report

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

On 24 February 2021, 26 February 2021, 8 March 2021, 16 March 2021, 17 March 2021, 1 April 2021 and 5 May 2021 the Board of Directors of the Group announced the proposed establishment of Share Issuance Scheme ("SIS") of up to 15% of the total number of issued shares of Stella for eligible directors and employees of the Company and its subsidiaries. The effective date for the implementation of the SIS is 5 May 2021, being the date on which the Company is in full compliance with all relevant requirements including Paragraph 6.43 (1) of the Listing Requirements.

Save as above, there were no other material events subsequent to the end of the period under review, which are likely to affect the result of the Group's operation substantially.

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 RM16.87 million (31/03/2020: RM8.58 million)

Additional information required by Bursa Malaysia Listing Requirements

B1 Review of performance

	INDIVIDUAL PERIOD (4th QUATER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER		CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	
	31.03.2021 RM'000	31.03.2020 RM'000	Change %	31.03.2021 RM'000	31.03.2020 RM'000	Change %
Revenue	25,726	5,162	398%	60,509	72,079	-16%
Operating profit	3,339	4,703	-29%	3,534	4,983	-29%
Profit Before Interest and Tax	3,339	4,703	-29%	3,534	4,983	-29%
Profit Before Tax	3,124	4,663	-33%	3,261	4,589	-29%
Profit After Tax	2,950	3,980	-26%	3,038	3,378	-10%
Profit Attributable to Owners of the Company	3,011	4,124	-27%	3,051	2,840	7%

Quarterly

For the current quarter, the Group recorded revenue of RM25.73 million and profit before tax of RM3.12 million compared to corresponding preceding year's quarter revenue of RM5.16 million and profit before tax of RM4.66 million respectively.

Revenue for the current quarter increase significantly by 398% 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 and acceleration of construction activities at site for projects Loji Rawatan Air Pagoh and Langat 2 PAAB.

On the other hand, despite the higher revenue recorded for this current quarter, the profit before tax recorded lower than preceding year's corresponding quarter due to recognition of gain on disposal of assets held for sale and gain on disposal of investment in an associate in the preceding year's corresponding quarter. The profit for the current quarter was largely contributed from property development segment.

Year-to-date

For twelve months ended 31 March 2021, the Group recorded revenue of RM60.51 million and profit before tax of RM3.26 million as compared to the corresponding preceding year ended 31 March 2020 revenue of RM72.08 million and profit before tax of RM4.59 million respectively.

Revenue for the year under review recorded lower compared to the corresponding preceding year mainly due to lower contributions from construction and oil & gas support service segments except property development segment.

Additional information required by Bursa Malaysia Listing Requirements

B1 Review of performance (cont'd)

The revenue recognition under construction segment showing a slow down as their major contributor namely Project Loji Rawatan Air Pagoh has been completed and lower progress billings for others projects. Nonetheless, the newly awarded project from Sime Darby Property (Nilai) Sdn Bhd with a contract value of RM20.97 million will enhance the revenue in the next financial year.

The oil and gas support service segment still remain challenging given the fluctuation of crude oil price and economy slowdown. However, the Group revenue were cushioned by higher revenue from property development segment, Taman Sengkang affordable housing project.

In tandem with the lower revenue recognition mentioned above, the Group recorded lower profit before tax for the year under review compared to the corresponding preceding year.

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

	CURRENT QUARTER ENDED 31.03.2021 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 31.12.2020 RM'000	Change %
Revenue	25,726	20,657	25%
Operating Profit	3,339	814	310%
Profit Before Interest and Tax	3,339	814	310%
Profit Before Tax	3,124	778	302%
Profit After Tax	2,950	1,032	186%
Profit Attributable to Owners of the Company	3,011	1,032	192%

For the current quarter, the Group recorded revenue of RM25.73 million and profit before tax of RM3.12 million compared to the immediate preceding quarter of revenue of RM20.66 million and profit before tax RM778,000.

The higher revenue for the current quarter compared to the preceding immediate quarter mainly due to acceleration of progress on constructions, billings and loan approvals for Taman Sengkang property development segment.

Additional information required by Bursa Malaysia Listing Requirements

B2 Comparison of the quarterly results to the results of the immediate preceding quarter (cont'd)

The profit before tax increased significantly by 302% compared to the preceding immediate quarter mainly due to higher profit contributed by property development segment and gain on property fair value adjustment of RM665,000.

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 actively continue to tender for more projects from our existing clients and undertaking more marketing activities to explore new clients within peninsular Malaysia. The challenge now is to work on replenishing our order book and managing our project execution efficiently under the present circumstances and constraint.

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 are 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 project with Permodalan Negeri Selangor Berhad in Kuala Selangor is currently at the planning stage. At the same time, we are also exploring new Joint Ventures with private as well as government agency to undertake more property development projects.

As for our new business venture in healthcare services, the regulatory requirements have been fulfilled. The construction progress is progressing well and the recruitment of personnel will be carried out in stages. In addition, the procurement of new medical equipment and accessories will be completed in the second half of 2021. We expect the hospital to start operations in the 3rd quarter of 2021.

The key contribution to the Group's revenue will derive from the property development segment. We expect the on-going development will contribute positively to the Group's earning.

Additional information required by Bursa Malaysia Listing Requirements

B4 Profit forecast

Not applicable.

B5 Profit Before Tax

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

	Current Quarter 31-Mar-21 RM'000	Preceding Year Quarter 31-Mar-20 RM'000	Current YTD 31-Mar-21 RM'000	Preceding Year YTD 31-Mar-20 RM'000
Interest income	(46)	(91)	(276)	(158)
Interest expenses	215	40	273	394
Depreciation expenses	310	396	669	822
Write off bad debt	2	58	2	58
Impairment loss	55	601	55	601
Realised Loss / (gain) foreign exchange	3	19	75	(47)
Gain disposal of property, plant & equipment	(1)	(97)	(8)	(200)
Gain on Disposal of Asset Held for Sale	0	(4,342)	(1,493)	(5,613)
Loss on Disposal of Investment Properties	40	221	20	301
Write back loss on investment in associate	0	(2,530)	0	(2,530)
Write back of debts	(72)	0	(72)	0
Fair value gain on investment properties	(666)	(64)	(666)	(64)

Additional information required by Bursa Malaysia Listing Requirements

B6 Taxation

	Current Quarter 31-Mar-21 RM'000	Preceding Year Quarter 31-Mar-20 RM'000	Current YTD 31-Mar-21 RM'000	Preceding Year YTD 31-Mar-20 RM'000
- Prior Year Tax	4	0	8	(2)
- Current Year Tax	148	242	181	508
- Real Property Gain Tax	0	442	12	708
- Deferred Tax	22	(1)	22	(1)
	174	683	223	1,213

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-Mar-21 RM'000	As at 31-Mar-20 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	1,565	22
- Revolving Credit	6,037	0
- Lease Liabilities	106	351
- Term Loans	60	42
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	237	227
- Term Loans	1,025	1,082
Total Borrowings	9,030	1,724

Additional information required by Bursa Malaysia Listing Requirements

B10 Material litigation

There is no material litigation for the financial period as at 31 March 2021.

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 RM3.05 million 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
27 May 2021