

STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

(Incorporated In Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Unaudited As at 30.06.2021 RM'000	Audited As at 31.03.2021 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	11,657	11,672
Inventories	1,899	1,899
Investment properties	16,590	16,590
Goodwill on consolidation	856	856
	31,002	31,017
Current Assets		
Inventories	12,652	13,574
Contract costs	530	595
Contract assets	10,755	8,514
Trade receivables	11,034	18,321
Other receivables, deposits and prepayments	14,078	12,252
Current tax assets	386	382
Deposits placed with licensed banks	4,902	4,834
Cash and bank balances	8,821	9,722
	63,158	68,194
TOTAL ASSETS	94,160	99,211
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	31,713	31,713
Retained earnings	18,190	18,326
Shareholders' Equity	49,903	50,039
Non-Controlling Interest	2,646	2,595
Total Equity	52,549	52,634
Non Current Liabilities		
Loans and borrowings	1,168	1,206
Deferred tax liabilities	236	236
	1,404	1,442
Current Liabilities		
Contract liabilities	866	806
Trade payables	9,299	10,461
Other payables, accruals and deposits	20,390	26,072
Loans and borrowings	9,642	7,786
Current tax liabilities	10	10
	40,207	45,135
Total Liabilities	41,611	46,577
TOTAL EQUITY AND LIABILITIES	94,160	99,211
Net assets per share attributable to owner of the parent	0.74	0.75

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THREE MONTHS PERIOD ENDED 30 JUNE 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO-DATE	TO-DATE
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	11,498	2,254	11,498	2,254
Cost of Sales	(9,178)	(2,716)	(9,178)	(2,716)
Gross Profit/(Loss)	2,320	(462)	2,320	(462)
Other Operating Income	236	1,675	236	1,675
Total Income	2,556	1,213	2,556	1,213
Admin Operating Costs	(2,478)	(1,924)	(2,478)	(1,924)
Profit/(Loss) from Operation	78	(711)	78	(711)
Finance Costs	(103)	(7)	(103)	(7)
Loss before taxation	(25)	(718)	(25)	(718)
Taxation	(60)	(238)	(60)	(238)
Loss after taxation	(85)	(956)	(85)	(956)
Total Comprehensive Loss For The Period	(85)	(956)	(85)	(956)
(Loss)/Profit attributable to :				
Owners of the parent	(136)	(971)	(136)	(971)
Non-controlling interest	51	15	51	15
	(85)	(956)	(85)	(956)
Total Comprehensive (Loss)/Profit attributable to :				
Owners of the parent	(136)	(971)	(136)	(971)
Non-controlling interest	51	15	51	15
Total Comprehensive Loss	(85)	(956)	(85)	(956)
Loss per share : --	sen	sen	sen	sen
- basic / diluted	(0.20)	(1.45)	(0.20)	(1.45)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 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 2020	31,713	16,983	48,696	2,208	50,904
Total comprehensive profit/(loss) for the financial year	-	3,018	3,018	(13)	3,005
Transactions with owners					
Changes in ownership interest in a subsidiary	-	-	-	400	400
Dividend paid on shares	-	(1,675)	(1,675)	-	(1,675)
Total transactions with owners	-	(1,675)	(1,675)	400	(1,275)
At 31 March 2021	31,713	18,326	50,039	2,595	52,634
Total comprehensive (loss)/profit for the financial year	-	(136)	(136)	51	(85)
At 30 June 2021	31,713	18,190	49,903	2,646	52,549

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THREE MONTHS PERIOD ENDED 30 JUNE 2021

	Note	3 MONTHS	3 MONTHS
		PERIOD ENDED 30.06.2021	PERIOD ENDED 30.06.2020
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(25)	(718)
Adjustments for :			
Non-cash items		102	128
Non-operating items (which are investing / financing)		75	(1,592)
Operating loss before changes in working capital		152	(2,182)
Changes in working capital :			
Net changes in current assets		4,207	(1,321)
Net changes in current liabilities		(6,784)	(4,711)
Cash used in operations		(2,425)	(8,214)
Tax paid		(63)	(292)
Net cash used in operating activities		(2,488)	(8,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash (used in) / from investing activities		(126)	7,392
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		(145)	(33)
Net decrease increase in cash and cash equivalents		(2,759)	(1,147)
Cash and cash equivalents at beginning of financial year		8,157	18,577
Cash and cash equivalents at end of the quarter	(i)	5,398	17,430
Note (i) :			
Represented by :			
Cash and bank balances		8,821	17,433
Deposits placed with licensed banks		4,902	4,488
Less : Pledged deposits		(4,902)	(4,488)
		8,821	17,433
Less : Bank Overdraft		(3,423)	(3)
		5,398	17,430

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021.

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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 2021.

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 2021 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 April 2020 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.

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Notes to the Interim Financial Report (cont'd)**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 dividend was paid for the current quarter under review.

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Notes to the Interim Financial Report (cont'd)**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
3 months ended 30 June 2021										
Revenue										
External sales	-	4,974	4,948	31	-	1,545	-	-	-	11,498
Inter-segment sales	-	-	-	34	-	-	-	-	(34)	-
	-	4,974	4,948	65	-	1,545	-	-	(34)	11,498
Results										
Segment result	(358)	654	(334)	5	5	437	(324)	(1)	(6)	78
Finance costs	-	(42)	(49)	-	-	(12)	-	-	-	(103)
(Loss)/Profit before tax	(358)	612	(383)	5	5	425	(324)	(1)	(6)	(25)
Tax expense	-	-	-	(4)	-	(56)	-	-	-	(60)
(Loss)/Profit after tax	(358)	612	(383)	1	5	369	(324)	(1)	(6)	(85)

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Notes to the Interim Financial Report (cont'd)**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
3 months ended 30 June 2020										
Revenue										
External sales	-	608	584	16	-	1,046	-	-	-	2,254
Inter-segment sales	-	-	-	56	-	-	-	-	(56)	-
	-	608	584	72	-	1,046	-	-	(56)	2,254
Results										
Segment result	(228)	(377)	(103)	(25)	(16)	36	-	(1)	3	(711)
Finance costs	-	-	(2)	-	-	(5)	-	-	-	(7)
(Loss)/Profit before tax	(228)	(377)	(105)	(25)	(16)	31	-	(1)	3	(718)
Tax expense	-	-	(232)	(6)	-	-	-	-	-	(238)
(Loss)/Profit after tax	(228)	(377)	(337)	(31)	(16)	31	-	(1)	3	(956)

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Notes to the Interim Financial Report (cont'd)

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 2021.

A10 Material subsequent events

- (i) On 5 August 2021, Mewah Kota Sdn Bhd, a wholly-owned subsidiary of the Company has accepted the Letter of Acceptance from Jabatan Pengurusan Sisa Pepejal Negara, Kementerian Perumahan dan Kerajaan Tempatan in respect of the contract "Perkhidmatan Pengoperasian dan Penyelenggaraan Loji Rawatan Leachate (LTP) Taman Beringin, Kuala Lumpur".

The total contract sum is Ringgit Malaysia Twelve Million Seven Hundred Seventy Eight Thousand and Five Hundred Sixty (RM12,778,560.00) only. The contract is for a period of six (6) years from 5 August 2021 to 4 August 2027.

- (ii) On 16 August 2021, the Board of Directors of the Group announced that the Landowner (i.e. AMNI Corporation (M) Sdn Bhd) and the Developer (i.e. Paramount Ventures Sdn Bhd, a wholly-owned subsidiary of Stella) have entered into a Deed of Revocation to mutually rescind and terminate the Joint Venture Agreement, Supplemental Agreement and Power of Attorney for Residential Development Project at Kuantan, Pahang.

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 (31/03/2021: RM40.03 million) to licensed banks for banking facilities granted to a subsidiary. Consequently, the Company is contingently liable for the amount of banking facilities utilised by subsidiaries amounting to RM18.73 million (31/03/2021: RM16.87 million)

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Additional information required by Bursa Malaysia Listing Requirements**B1 Review of performance**

	INDIVIDUAL PERIOD (1st QUARTER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER		CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	
	30.06.2021 RM'000	30.06.2020 RM'000	Change %	30.06.2021 RM'000	30.06.2020 RM'000	Change %
Revenue	11,498	2,254	410%	11,498	2,254	410%
Operating Profit/(Loss)	78	(711)	111%	78	(711)	111%
Profit/(Loss) Before Interest and Tax	78	(711)	111%	78	(711)	111%
Loss Before Tax	(25)	(718)	97%	(25)	(718)	97%
Loss After Tax	(85)	(956)	91%	(85)	(956)	91%
Loss Attributable to Owners of the Company	(136)	(971)	86%	(136)	(971)	86%

Quarterly

For the current financial quarter, the Group recorded revenue of RM11.50 million and loss before tax of RM25,000 as compared to corresponding preceding year's quarter revenue of RM2.25 million and loss before tax of RM718,000 respectively. The improved revenue by 410% compared to preceding year's corresponding quarter was due to higher contributions from all business segments. Consequently, it contributed to a lower loss before tax by 97% for the current quarter under review.

Despite the re-imposition of MCO and phases of FMCO, from 6 May 2021 to 28 June 2021, the property development segment and oil and gas segment recorded profit before tax of RM612,000 and RM426,000 consecutively.

On the other hand, the construction segment still facing challenges to replenish sizable order book and slower progress billings thus recorded losses of RM381,000 for the current financial quarters. The newly healthcare services segment also recorded losses of RM324,000 since they have yet to start operations. Consequently, it resulted the overall Group's profit to a loss after tax of RM85,000.

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Additional information required by Bursa Malaysia Listing Requirements (cont'd)**B2 Comparison of the quarterly results to the results of the immediate preceding quarter.**

	CURRENT QUARTER ENDED 30.06.2021 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 31.03.2021 RM'000	Change %
Revenue	11,498	25,726	-55%
Operating Profit	78	3,307	-98%
Profit Before Interest and Tax	78	3,307	-98%
(Loss) / Profit Before Tax	(25)	3,092	-101%
(Loss) /Profit After Tax	(85)	2,918	-103%
(Loss) /Profit Attributable to Owners of the Company	(136)	2,979	-105%

For the current quarter, the Group recorded revenue of RM11.50 million and loss before tax of RM25,000 compared to the immediate preceding quarter of revenue of RM25.73 million and profit before tax of RM3.09 million.

The significant decline in revenue by 55% from RM25.73 million to RM11.50 million and loss after tax from a profit of RM2.92 million to a loss of RM 85,000 in the current financial quarter compared to the preceding immediate quarter were mainly due to challenges to replenish the sizable order book and slower progress at site resulted in slower billings in construction segment. In addition, the progress and activities from the property development and healthcare services segments were slowed down and halted due to the implementation of MCO 3.0 and FMCO by the government to curb the spike of COVID-19 from 6 May 2021 to 28 June 2021.

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Additional information required by Bursa Malaysia Listing Requirements (cont'd)**B3 Prospects**

We expect the financial year 2022 will continue to face the challenges of the Covid-19 pandemic. Despite the challenges, we 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 healthcare services. We will continue our efforts to tender for more projects from our existing clients and undertaking more marketing activities to explore new clients within peninsular Malaysia. At the same time, we are also exploring new joint ventures with private as well as government agency to undertake more property development projects.

On 5 August 2021, our construction segment has been awarded a project from Jabatan Pengurusan Sisa Pepejal Negara, Kementerian Perumahan dan Kerajaan Tempatan in respect of the contract "Perkhimatan Pengoperasian dan Penyelenggaraan Loji Rawatan Leachate (LTP) Taman Beringin, Kuala Lumpur with a contract value of RM12.78 million for a period of 6 years. The newly awarded project is expected to enhance the revenue and earnings of the Group.

On 1 April 2021, our Group had obtained the shareholders' approval for the established of Share Issuance Scheme (SIS) of up to 15% of the total number of issued shares of Stella Holdings Berhad for eligible employees and directors of the Group. The implementation of SIS is part of our Group's plan to recognise and reward our employees who have contributed to the success of our Group over the years and at the same time to retain employees who we considered vital to the operations and growth of our Group.

Notwithstanding the challenges encounter resulting from Covid-19 pandemic, we are confident that with our existing projects in hand, we should be able to sustain through this difficult time.

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Additional information required by Bursa Malaysia Listing Requirements (cont'd)**B4 Profit forecast**

Not applicable.

B5 Profit Before Tax

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

	Current Quarter 30-Jun-21 RM'000	Preceding Year Quarter 30-Jun-20 RM'000	Current YTD 30-Jun-21 RM'000	Preceding Year YTD 30-Jun-20 RM'000
Interest Income	(28)	(123)	(28)	(123)
Interest Expenses	103	7	103	7
Depreciation Expenses	102	128	102	128
Write back of debts	(21)	-	(21)	-
Foreign Exchange (Gain) / Loss	(2)	14	(2)	14
Gain on disposal of asset held for sale	-	(1,493)	-	(1,493)

B6 Taxation

	Current Quarter 30-Jun-21 RM'000	Preceding Year Quarter 30-Jun-20 RM'000	Current YTD 30-Jun-21 RM'000	Preceding Year YTD 30-Jun-20 RM'000
- Prior Year Tax	0	0	0	0
- Current Year Tax	60	6	60	6
- Real Property Gain Tax	0	232	0	232
	60	238	60	238

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.

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Additional information required by Bursa Malaysia Listing Requirements (cont'd)**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 30-Jun-21 RM'000	As at 31-Mar-21 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	3,423	1,565
- Revolving Credit	6,000	6,000
- Lease Liabilities	151	161
- Term Loans	67	60
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	165	181
- Term Loans	1,004	1,025
Total Borrowings	10,810	8,992

B10 Material litigation

There is no material litigation for the financial period as at 30 June 2021.

B11 Dividend

The Board of Directors has on 15 July 2021 proposed a final single-tier dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 March 2021 and to seek the approval of shareholders of the Company at the forthcoming Annual General Meeting. The date of entitlement is on 6 October 2021 and payment will be paid on 26 October 2021.

B12 Earnings per share

The basic profit per share for the financial period has been calculated based on the consolidated loss after taxation attributable to the owners of the parent of RM136,000 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 August 2021