

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

(Incorporated In Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Unaudited As at 30.09.2021 RM'000	Audited As at 31.03.2021 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	11,762	11,672
Inventories	2,150	1,899
Investment properties	16,910	16,590
Goodwill on consolidation	856	856
	<b>31,678</b>	<b>31,017</b>
<b>Current Assets</b>		
Inventories	10,636	13,574
Contract costs	368	595
Contract assets	13,867	8,514
Trade receivables	13,715	18,321
Other receivables, deposits and prepayments	15,469	12,252
Current tax assets	169	382
Deposits placed with licensed banks	4,922	4,834
Cash and bank balances	7,037	9,722
	<b>66,183</b>	<b>68,194</b>
<b>TOTAL ASSETS</b>	<b>97,861</b>	<b>99,211</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	31,713	31,713
Retained earnings	18,928	18,326
Shareholders' Equity	50,641	50,039
Non-Controlling Interest	2,572	2,595
<b>Total Equity</b>	<b>53,213</b>	<b>52,634</b>
<b>Non Current Liabilities</b>		
Loans and borrowings	1,257	1,206
Deferred tax liabilities	236	236
	<b>1,493</b>	<b>1,442</b>
<b>Current Liabilities</b>		
Contract liabilities	1,513	806
Trade payables	14,932	10,461
Other payables, accruals and deposits	16,443	26,072
Loans and borrowings	10,257	7,786
Current tax liabilities	10	10
	<b>43,155</b>	<b>45,135</b>
<b>Total Liabilities</b>	<b>44,648</b>	<b>46,577</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,861</b>	<b>99,211</b>
Net assets per share attributable to owner of the parent	<b>0.76</b>	<b>0.75</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 2021.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	15,878	11,872	27,376	14,127
Cost of Sales	(12,379)	(10,688)	(21,557)	(13,404)
Gross Profit	3,499	1,184	5,819	723
Other Operating Income	254	1,239	490	2,914
Total Income	3,753	2,423	6,309	3,637
Admin Operating Costs	(2,840)	(2,331)	(5,318)	(4,256)
Profit/(Loss) from Operation	913	92	991	(619)
Finance Costs	(189)	(15)	(292)	(22)
Profit/(Loss) before taxation	724	77	699	(641)
Taxation	(60)	(66)	(120)	(304)
Profit/(Loss) after taxation	664	11	579	(945)
Total Comprehensive Profit/(Loss) For The Period	664	11	579	(945)
Profit/(Loss) attributable to :				
Owners of the parent	738	(21)	602	(992)
Non-controlling interest	(74)	32	(23)	47
	664	11	579	(945)
Total Comprehensive Profit/(Loss) attributable to :				
Owners of the parent	738	(21)	602	(992)
Non-controlling interest	(74)	32	(23)	47
Total Comprehensive Loss	664	11	579	(945)
Profit/ (Loss) per share : --	sen	sen	sen	sen
- basic / diluted	1.10	(0.03)	0.90	(1.48)

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 SEPTEMBER 2021

	Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Non- controlling interest RM'000	Total Equity RM'000
<b>Group</b>					
<b>At 1 April 2020</b>	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)
<b>At 31 March 2021</b>	31,713	18,326	50,039	2,595	52,634
Total comprehensive profit/(loss) for the financial year	-	602	602	(23)	579
<b>At 30 September 2021</b>	<b>31,713</b>	<b>18,928</b>	<b>50,641</b>	<b>2,572</b>	<b>53,213</b>

# STELLA HOLDINGS BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2021

	Note	6 MONTHS PERIOD ENDED 30.09.2021  RM'000	6 MONTHS PERIOD ENDED 30.09.2020  RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before taxation		699	(641)
Adjustments for :			
Non-cash items		(50)	247
Non-operating items (which are investing / financing)		(183)	(3,956)
Operating loss before changes in working capital		466	(4,350)
Changes in working capital :			
Net changes in current assets		(799)	(12,107)
Net changes in current liabilities		(4,449)	(2,878)
Net cash used in operations		(4,782)	(19,335)
Tax paid		(123)	(451)
Net cash used in operating activities		(4,905)	(19,786)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash (used in) / from investing activities		(9)	7,222
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		(269)	(75)
Net decrease in cash and cash equivalents		(5,183)	(12,639)
Cash and cash equivalents at beginning of financial year		8,157	18,577
Cash and cash equivalents at end of the quarter	(i)	2,974	5,938
Note (i) :			
Represented by :			
Cash and bank balances		7,037	6,385
Deposits placed with licensed banks		4,922	5,029
Less : Pledged deposits		(4,922)	(5,029)
		7,037	6,385
Less : Bank Overdraft		(4,063)	(447)
		2,974	5,938

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.

## **STELLA HOLDINGS BERHAD**

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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.

**STELLA HOLDINGS BERHAD**

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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	Property Development	Construction	Property Investment	Maintenance, Facility Management and Services	Oil & Gas	Healthcare	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended</b>										
<b>30 September 2021</b>										
<b>Revenue</b>										
External sales	-	16,091	8,150	57	-	3,078	-	-	-	27,376
Inter-segment sales	-	-	-	68	-	-	-	-	(68)	-
	-	16,091	8,150	125	-	3,078	-	-	(68)	27,376
<b>Results</b>										
Segment result	(747)	2,669	(872)	(3)	(5)	634	(669)	(4)	(12)	991
Finance costs	-	(154)	(115)	-	-	(23)	-	-	-	(292)
(Loss)/Profit before tax	(747)	2,515	(987)	(3)	(5)	611	(669)	(4)	(12)	699
Tax expense	-	-	-	(8)	-	(112)	-	-	-	(120)
<b>(Loss)/Profit after tax</b>	<b>(747)</b>	<b>2,515</b>	<b>(987)</b>	<b>(11)</b>	<b>(5)</b>	<b>499</b>	<b>(669)</b>	<b>(4)</b>	<b>(12)</b>	<b>579</b>

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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
<b>6 months ended 30 September 2020</b>										
<b>Revenue</b>										
External sales	-	4,243	6,847	41	-	2,996	-	-	-	14,127
Inter-segment sales	-	-	-	111	-	-	-	-	(111)	-
	-	4,243	6,847	152	-	2,996	-	-	(111)	14,127
<b>Results</b>										
Segment result	(582)	(277)	157	4	11	122	(21)	(5)	(28)	(619)
Finance costs	-	-	(12)	-	-	(10)	-	-	-	(22)
(Loss)/Profit before tax	(582)	(277)	145	4	11	112	(21)	(5)	(28)	(641)
Tax expense	-	(35)	(241)	(13)	-	(15)	-	-	-	(304)
<b>(Loss)/Profit after tax</b>	<b>(582)</b>	<b>(312)</b>	<b>(96)</b>	<b>(9)</b>	<b>11</b>	<b>97</b>	<b>(21)</b>	<b>(5)</b>	<b>(28)</b>	<b>(945)</b>



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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**

Further to the announcement dated 24 August 2021 in relation to the offer of options under the Share Issuance Scheme of the Company ("SIS"), the Company has on 23 November 2021 determined and fixed the vesting period on the SIS options offered to eligible Directors and employees of the Company and its subsidiaries on 24 August 2021, as follows: -

	Percentage of SIS Options exercisable	
Vesting Period	Financial year ending 31 March 2022	10% of options offered
	Financial year ending 31 March 2023	40% of options offered
	Financial year ending 31 March 2024	50% of options offered

Except for the vesting period as mentioned above, all other information as stated in the announcement dated 24 August 2021 shall remain the same.

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 RM19.05 million (31/03/2021: RM16.87 million)

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

**B1 Review of performance**

	INDIVIDUAL PERIOD (2nd QUATER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER		CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	
	30.09.2021 RM'000	30.09.2020 RM'000	Change %	30.09.2021 RM'000	30.09.2020 RM'000	Change %
Revenue	15,878	11,872	34%	27,376	14,127	94%
Operating Profit/(Loss)	913	92	892%	991	(619)	260%
Profit/(Loss) Before Interest and Tax	913	92	892%	991	(619)	260%
Profit/(Loss) Before Tax	724	77	840%	699	(641)	209%
Profit/(Loss) After Tax	664	11	5936%	579	(945)	161%
Profit/(Loss) Attributable to Owners of the Company	738	(21)	3614%	602	(992)	161%

**Quarterly**

For the current quarter under review, the Group recorded revenue of RM15.88 million and profit before tax of RM724,000 as compared to the preceding year corresponding quarter revenue of RM11.87 million and profit before tax of RM77,000. The revenue and profit before tax increased by 34% and 840% respectively compared to the preceding year corresponding quarter. Over and above contribution from the construction segments, the property development segment acceleration of construction progress and sales activities has contribute significantly to the higher revenue and profit for the current year under review. The oil and gas support services segment also shown a consistent revenue from their existing and new secured works order from Sapura Fabrication Sdn Bhd namely Pegaga Development project.

**Year-to-date**

For the six months ended 30 September 2021, the Group recorded revenue of RM27.38 million and profit before tax of RM699,000 as compared to corresponding preceding six months ended 30 September 2020 revenue of RM14.13 million and loss before tax of RM641,000.

The revenue and profit before tax are largely contributed by property development segment affordable housing project at Taman Sengkang, Port Dickson.

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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 30.09.2021 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.06.2021 RM'000	Change %
Revenue	15,878	11,498	38%
Operating Profit	913	78	1071%
Profit Before Interest and Tax	913	78	1071%
Profit/(Loss) Before Tax	724	(25)	2996%
Profit/(Loss) After Tax	664	(85)	881%
Profit/(Loss) Attributable to Owners of the Company	738	(136)	643%

For the current quarter, the Group recorded revenue of RM15.88 million and profit before tax of RM724,000 compared to the immediate preceding quarter of revenue of RM11.50 million and loss before tax of RM25,000.

The improved revenue by 38% from RM11.50 million to RM15.88 million compared to immediate preceding quarter was largely from property market activities which saw the sales volume and value of transactions are back on track in the second quarter of 2021. The property development segment recorded a profit before tax of RM1.90 million and oil and gas support service segment of RM186,000. On the other hand, the construction segment and healthcare segment recorded a loss before tax of RM604,000 and RM345,000 respectively.

**B3 Prospects**

The Group remains focus on our existing core business segments namely construction, property development and oil and gas support services as well as our new business in healthcare services.

We will continue our efforts to secure more projects from our existing clients and new clients within peninsular Malaysia and exploring new joint ventures with private as well as government agency to undertake more property development projects to enhance the performance of the Group.

On 6 October 2021, our wholly owned subsidiary, Paramount Ventures Sdn Bhd has entered into a Joint Ventures agreement to construct and complete the development of 18 units of double storey semi-detached houses in the Mukim and District of Klang within 24 months together with 1 lot for TNB compact sub-station and basic infrastructure as required by the relevant authorities. The development will enhance our projects in hand and is expected to contribute positively to the Group's future earnings.

Although we expect the challenges and impact of the pandemic Covid-19 will persist, the Group is confident that with our existing order book, it will contribute positively to the Group's revenue and performance going forward.

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**B4 Profit forecast**

Not applicable.

**B5 Profit Before Tax**

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

	Current Quarter 30-Sep-21 RM'000	Preceding Year Quarter 30-Sep-20 RM'000	Current YTD 30-Sep-21 RM'000	Preceding Year YTD 30-Sep-20 RM'000
Interest Income	(37)	(76)	(65)	(199)
Interest Expenses	189	15	292	22
Depreciation Expenses	101	119	203	247
Write back of debts	-	-	(21)	-
Foreign Exchange Loss	13	5	17	19
Gain on disposal of asset	(90)	-	(90)	-

**B6 Taxation**

	Current Quarter 30-Sep-21 RM'000	Preceding Year Quarter 30-Sep-20 RM'000	Current YTD 30-Sep-21 RM'000	Preceding Year YTD 30-Sep-20 RM'000
- Current Year Tax	60	22	120	28
- Real Property Gain Tax	-	44	-	276
	60	66	120	304

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.

**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-Sep-21 RM'000	As at 31-Mar-21 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	4,063	1,565
- Revolving Credit	6,000	6,000
- Lease Liabilities	127	161
- Term Loans	67	60
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	269	181
- Term Loans	988	1,025
<b>Total Borrowings</b>	<b>11,514</b>	<b>8,992</b>

**B10 Material litigation**

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

**B11 Dividend**

On 23 September 2021 of the Annual General Meeting the Board of Directors has approved the final single-tier dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 March 2021. The date of entitlement is on 6 October 2021 and payment made on 26 October 2021.

**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 owners of the parent of RM602,000 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  
 23 November 2021