

# STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

(Incorporated In Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Unaudited As at 31.12.2021 RM'000	Audited As at 31.03.2021 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	12,346	11,672
Inventories	10,622	1,899
Investment properties	16,910	16,590
Goodwill on consolidation	856	856
	<b>40,734</b>	<b>31,017</b>
<b>Current Assets</b>		
Inventories	8,936	13,574
Contract costs	298	595
Contract assets	15,735	8,514
Trade receivables	9,999	18,321
Other receivables, deposits and prepayments	8,126	12,252
Current tax assets	165	382
Deposits placed with licensed banks	4,912	4,834
Cash and bank balances	4,319	9,722
	<b>52,490</b>	<b>68,194</b>
<b>TOTAL ASSETS</b>	<b>93,224</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
Employee share option reserve	210	-
Retained earnings	16,656	18,326
Shareholders' Equity	48,579	50,039
Non-Controlling Interests	2,638	2,595
<b>Total Equity</b>	<b>51,217</b>	<b>52,634</b>
<b>Non Current Liabilities</b>		
Loans and borrowings	1,439	1,206
Deferred tax liabilities	236	236
	<b>1,675</b>	<b>1,442</b>
<b>Current Liabilities</b>		
Contract liabilities	1,683	806
Trade payables	9,841	10,461
Other payables, accruals and deposits	15,140	26,072
Loans and borrowings	13,668	7,786
Current tax liabilities	-	10
	<b>40,332</b>	<b>45,135</b>
<b>Total Liabilities</b>	<b>42,007</b>	<b>46,577</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>93,224</b>	<b>99,211</b>
Net assets per share attributable to owner of the parent	<b>0.73</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 NINE MONTHS PERIOD ENDED 31 DECEMBER 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	13,919	20,657	41,295	34,784
Cost of Sales	(11,141)	(17,770)	(32,698)	(31,173)
Gross Profit	2,778	2,887	8,597	3,611
Other Operating Income	314	314	804	3,228
Total Income	3,092	3,201	9,401	6,839
Admin Operating Costs	(3,320)	(2,387)	(8,639)	(6,644)
(Loss)/Profit from Operations	(228)	814	762	195
Finance Costs	(163)	(36)	(455)	(58)
(Loss)/Profit before taxation	(391)	778	307	137
Taxation	(140)	254	(259)	(50)
(Loss)/Profit after taxation	(531)	1,032	48	87
Total Comprehensive (Loss)/Profit For The Period	(531)	1,032	48	87
(Loss)/Profit attributable to :				
Owners of the parent	(597)	1,032	5	40
Non-controlling interests	66	-	43	47
	(531)	1,032	48	87
Total Comprehensive (Loss)/Profit attributable to :				
Owners of the parent	(597)	1,032	5	40
Non-controlling interests	66	-	43	47
Total Comprehensive (Loss)/Profit	(531)	1,032	48	87
(Loss)/Earnings per share : --	sen	sen	sen	sen
- basic / diluted	(0.89)	1.54	0.01	0.06

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 31 DECEMBER 2021

	Share capital	Employee share option reserve	Retained earnings	Sub-total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	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						
Capital contribution	-	-	-	-	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 for the financial year	-	-	5	5	43	48
Transactions with owners						
Share option issued	-	210	-	210	-	210
Dividend paid on shares	-	-	(1,675)	(1,675)	-	(1,675)
Total transactions with owners	-	210	(1,675)	(1,465)	-	(1,465)
<b>At 31 December 2021</b>	<b>31,713</b>	<b>210</b>	<b>16,656</b>	<b>48,579</b>	<b>2,638</b>	<b>51,217</b>

# STELLA HOLDINGS BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2021

Note	9 MONTHS PERIOD ENDED 31.12.2021  RM'000	9 MONTHS PERIOD ENDED 31.12.2020  RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	307	137
Adjustments for :		
Non-cash items	(8,373)	358
Non-operating items (which are investing / financing)	(149)	(3,964)
Operating loss before changes in working capital	(8,215)	(3,469)
Changes in working capital :		
Net changes in current assets	10,164	(18,307)
Net changes in current liabilities	(10,686)	9
Net cash used in operations	(8,737)	(21,767)
Tax paid	(258)	(469)
Net cash used in operating activities	(8,995)	(22,236)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash (used in) / from investing activities	(602)	12,674
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	(1,660)	(1,830)
Net decrease in cash and cash equivalents	(11,257)	(11,392)
Cash and cash equivalents at beginning of financial year	8,157	18,577
Cash and cash equivalents at end of the quarter	(3,100)	7,185
Note (i) :		
Represented by :		
Cash and bank balances	4,319	8,044
Deposits placed with licensed banks	4,912	4,015
Less : Pledged deposits	(4,912)	(4,015)
	4,319	8,044
Less : Bank Overdraft	(7,419)	(447)
	(3,100)	7,185

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.

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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
<b>9 months ended 31 December 2021</b>										
<b>Revenue</b>										
External sales	-	22,538	12,648	88	-	6,021	-	-	-	41,295
Inter-segment sales	-	-	-	90	-	-	-	-	(90)	-
	-	22,538	12,648	178	-	6,021	-	-	(90)	41,295
<b>Results</b>										
Segment result	(1,145)	3,275	(1,410)	(12)	2	1,219	(1,117)	(4)	(46)	762
Finance costs	-	(231)	(189)	-	-	(35)	-	-	-	(455)
(Loss)/Profit before tax	(1,145)	3,044	(1,599)	(12)	2	1,184	(1,117)	(4)	(46)	307
Tax expense	4	(57)	-	(12)	(7)	(187)	-	-	-	(259)
<b>(Loss)/Profit after tax</b>	<b>(1,141)</b>	<b>2,987</b>	<b>(1,599)</b>	<b>(24)</b>	<b>(5)</b>	<b>997</b>	<b>(1,117)</b>	<b>(4)</b>	<b>(46)</b>	<b>48</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>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)	-
	-	13,844	16,958	236	-	3,912	-	-	(166)	34,784
<b>Results</b>										
Segment result	(907)	1,169	(153)	7	(7)	148	(28)	(9)	(25)	195
Finance costs	-	-	(31)	-	-	(27)	-	-	-	(58)
(Loss)/Profit before tax	(907)	1,169	(184)	7	(7)	121	(28)	(9)	(25)	137
Tax expense	-	4	(16)	(19)	-	(19)	-	-	-	(50)
<b>(Loss)/Profit after tax</b>	<b>(907)</b>	<b>1,173</b>	<b>(200)</b>	<b>(12)</b>	<b>(7)</b>	<b>102</b>	<b>(28)</b>	<b>(9)</b>	<b>(25)</b>	<b>87</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**

There were no 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 RM39.78 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 RM22.14 million (31/03/2021: RM16.87 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	Change %	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE	Change %
	31.12.2021 RM'000	31.12.2020 RM'000		31.12.2021 RM'000	31.12.2020 RM'000	
Revenue	13,919	20,657	-33%	41,295	34,784	19%
Operating (Loss)/Profit	(228)	814	-128%	762	195	291%
(Loss)/Profit Before Interest and Tax	(228)	814	-128%	762	195	291%
(Loss)/Profit Before Tax	(391)	778	-150%	307	137	124%
(Loss)/ Profit After Tax	(531)	1,032	-151%	48	87	-45%
(Loss)/ Profit Attributable to Owners of the Company	(597)	1,032	158%	5	40	-88%

**Quarterly**

For the current quarter under review, the Group recorded revenue of RM13.92 million and loss before tax of RM391,000 as compared to the preceding year corresponding quarter revenue of RM20.66 million and profit before tax of RM778,000. The revenue and profit before tax decreased by 33% and 150% respectively compared to the preceding year corresponding quarter.

The decrease in revenue and profit before tax were mainly attributable to all segments except oil and gas support services. The decrease in construction mainly due to lower order book and no new project secured. The current on-going projects margin are insufficient to cover its overhead costs. The property development segment also recorded lower revenue due to delay in obtaining the renewal of Advertising Permit Developer License (APDL), thus affecting the loan approval and drawdown process. The healthcare services segment also recorded losses since they have yet to start operations.

In addition, the Group incurred an employee benefit expense of RM210,000 in relation to the Share Issuance Scheme ("SIS") during the quarter.

**Year-to-date**

For the nine months ended 31 December 2021, the Group recorded revenue of RM41.30 million and profit before tax of RM307,000 as compared to corresponding preceding nine months ended 31 December 2020 revenue of RM34.78 million and profit before tax of RM137,000.

The slight improved performance was mainly contributed by the property development and oil and gas services segments. Taman Sengkang's project take up rate with loan-approved units are at 86% up to the current financial period 31 December 2021. Oil and gas support services also improved with an increase in works orders and new project secured from Petronas Chemical Methanol Sdn Bhd amounting to RM3.1 million.

On the other hand, the construction segment still faces the challenge of replenishing sizable order book and slow progress billings. Healthcare services segment have yet to commence operations.

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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 31.12.2021 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.09.2021 RM'000	Change %
Revenue	13,919	15,878	-12%
Operating (Loss)/Profit	(228)	913	-125%
(Loss)/Profit Before Interest and Tax	(228)	913	-125%
(Loss)/Profit Before Tax	(391)	724	-154%
(Loss)/Profit After Tax	(531)	664	-180%
(Loss)/Profit Attributable to Owners of the Company	(597)	738	-181%

For the current quarter, the Group recorded revenue of RM13.92 million and loss before tax of RM391,000 compared to the immediate preceding quarter of revenue of RM15.88 million and profit before tax of RM724,000.

The revenue and profit before tax decreased by 12% and 154% respectively compared to the immediate preceding quarter due to lower revenue from all segments for the quarter under review. The property development segment faced slowdown in loan approvals and drawdown due to delay in obtaining the renewal of the Advertising Permit Developer License (APDL), thus affecting contributions recognized in the month of November & December 2021. The construction segment also recorded a loss before tax of RM611,000 mainly due to no recognition of profit from Nilai Impian 2 and low profit recorded by Langat 2 and Leachate projects of RM342,000 and RM31,000 respectively which were not sufficient to cover the overhead costs. The healthcare segment also recorded a higher loss before tax of RM446,000 compared to RM345,000 in the previous quarter and all of which are operating costs.

For the current quarter under review, the Group incurred an employee benefit expense of RM210,000 in relation to the Share Issuance Scheme ("SIS") under MFRS 2 – Share-based Payment.

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

Our Group remains focus on our existing core business segments namely construction, property development, oil and gas support services and our new business segment of healthcare services.

Our construction segment remains challenging. We will continue to undertake more stringent measures in evaluating new tenders of projects and ensuring our ongoing projects are completed on schedule and within the budget.

As for our property development segment, we are currently focusing on our on-going project at Taman Sengkang, Port Dickson that is nearing completion. The sales of the affordable houses in Taman Sengkang is progressing well and the project is expected to be completed on schedule. Our joint venture projects with Permodalan Negeri Selangor Berhad in Kuala Selangor is currently at the planning stage and pending the approvals from the relevant authorities. We expect the projects to kick start during the second half of 2022.

The outlook for oil and gas support services is positive as the world crude oil price has been stabilising above USD70 per barrel for the last 3 months. We have secured a new project with a contract value of RM3.1 million from Petronas Chemicals Metronol Sdn Bhd (PCMSB) for provision to supply, install and commission of new electrochlorination system and accessories at PCMSB Plant.

As for our healthcare services, the women and children hospital renovation is on track and expected to commence operation by second half of 2022.

Our Board is confident that with the existing projects in hand, we are able to strengthen and sustain our Group's earnings post financial year ending 31 March 2022.

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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 31-Dec-21 RM'000	Preceding Year Quarter 31-Dec-20 RM'000	Current YTD 31-Dec-21 RM'000	Preceding Year YTD 31-Dec-20 RM'000
Interest Income	(32)	(48)	(96)	(247)
Interest Expenses	163	36	455	58
Depreciation Expenses	148	111	351	358
Write back of debts	-	-	(21)	-
Foreign Exchange Loss	3	53	20	75
Gain on disposal of asset	(104)	-	(205)	-

**B6 Taxation**

	Current Quarter 31-Dec-21 RM'000	Preceding Year Quarter 31-Dec-20 RM'000	Current YTD 31-Dec-21 RM'000	Preceding Year YTD 31-Dec-20 RM'000
- Prior Year Tax	44	4	44	4
- Current Year Tax	96	6	215	34
- Real Property Gain Tax	-	(264)	-	12
	140	(254)	259	50

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.

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**Additional information required by Bursa Malaysia Listing Requirements (cont'd)****B9 Borrowing**

The Group borrowings are as follows: -

	As at 31-Dec-21 RM'000	As at 31-Mar-21 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	7,419	1,565
- Revolving Credit	6,000	6,000
- Lease Liabilities	182	161
- Term Loans	67	60
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	466	181
- Term Loans	973	1,025
Total Borrowings	15,107	8,992

**B10 Material litigation**

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

**B11 Dividend**

No dividends were proposed or declared for the current quarter and financial year to date (2021: RM1.68 million).

**B12 Earnings per share**

The basic earnings per share for the financial period has been calculated based on the consolidated profit after taxation attributable to the owners of the parent of RM5,000 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 2022