

STELLA HOLDINGS BERHAD

Company No. 199701004603 (420099-X)

(Incorporated In Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Unaudited As at 31.03.2023 RM'000	Audited As at 31.03.2022 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	6,499	30,422
Inventories	14,861	10,472
Investment properties	11,330	18,750
Goodwill on consolidation	-	856
Asset held for sale	5,800	-
	38,490	60,500
Current Assets		
Inventories	-	694
Contract costs	-	108
Contract assets	4,265	27,035
Trade receivables	11,194	11,464
Other receivables, deposits and prepayments	7,736	12,357
Current tax assets	25	307
Deposits placed with licensed banks	4,799	4,684
Cash and bank balances	3,504	2,543
	31,523	59,192
TOTAL ASSETS	70,013	119,692
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	31,713	31,713
Employee share option reserve	-	357
Retained earnings	5,315	20,034
Shareholders' Equity	37,028	52,104
Non-Controlling Interest	-	1,904
Total Equity	37,028	54,008
Non Current Liabilities		
Loans and borrowings	3,801	18,717
Deferred tax liabilities	216	335
	4,017	19,052
Current Liabilities		
Contract liabilities	3,053	1,782
Trade payables	8,237	10,707
Other payables, accruals and deposits	6,096	18,101
Loans and borrowings	11,582	15,792
Current tax liabilities	-	250
	28,968	46,632
Total Liabilities	32,985	65,684
TOTAL EQUITY AND LIABILITIES	70,013	119,692
Net assets per share attributable to owner of the parent	0.55	0.78

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.

STELLA HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR TWELVE MONTHS PERIOD ENDED 31 MARCH 2023

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR QUARTER 31.03.2022 RM'000	CURRENT YEAR TO-DATE 31.03.2023 RM'000	PRECEDING YEAR TO-DATE 31.03.2022 RM'000
Revenue	(4,232)	16,685	29,414	51,959
Cost of sales	6,115	(11,931)	(35,797)	(40,874)
Gross profit/(loss)	1,883	4,755	(6,383)	11,084
Other operating income	2,355	4,336	7,571	5,015
Total income	4,238	9,091	1,188	16,099
Administrative operating costs	(2,528)	(3,733)	(11,000)	(10,082)
Profit/(loss) from operation	1,710	5,358	(9,812)	6,017
Finance cost	(220)	(439)	(1,000)	(859)
Profit/(loss) before taxation	1,490	4,919	(10,812)	5,159
Tax expense	(122)	(553)	(570)	(625)
Profit/(loss) from continuing operations	1,368	4,366	(11,382)	4,534
Discontinued operation				
Loss from discontinued operation	(729)	(1,722)	(5,064)	(1,842)
Total Comprehensive profit/(loss) for the period	639	2,644	(16,446)	2,692
Profit/(loss) attributable to :				
Owners of the parent	933	3,377	(14,392)	3,382
-From continuing operations	1,662	5,099	(9,328)	5,224
-From discontinuing operation	(729)	(1,722)	(5,064)	(1,842)
Non-controlling interest	(294)	(733)	(2,054)	(690)
	639	2,644	(16,446)	2,692
Total comprehensive profit/(loss) attributable to :				
Owners of the parent	933	3,377	(14,392)	3,382
-From continuing operations	1,662	5,099	(9,328)	5,224
-From discontinuing operation	(729)	(1,722)	(5,064)	(1,842)
Non-controlling interest	(294)	(733)	(2,054)	(690)
Total comprehensive profit/(loss)	639	2,644	(16,446)	2,692
Earnings/(loss) per share : --	sen	sen	sen	sen
- basic / diluted	1.39	5.04	(21.48)	5.05

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2023

	Share capital RM'000	Employee share option reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non- controlling interest RM'000	Total Equity RM'000
Group						
At 1 April 2021	31,713	-	18,327	50,040	2,594	52,634
Total comprehensive income/(loss) for the financial year	-	-	3,382	3,382	(690)	2,692
Transactions with owners						
Share option issued	-	357	-	357	-	357
Dividend paid on shares	-	-	(1,675)	(1,675)	-	(1,675)
Total transactions with owners	-	357	(1,675)	(1,318)	-	(1,318)
At 31 March 2022	31,713	357	20,034	52,104	1,904	54,008
Total comprehensive loss for the financial year	-	-	(14,392)	(14,392)	(2,054)	(16,446)
Transactions with owners						
Share option issued	-	(357)	1,348	991	-	991
Dividend paid on shares	-	-	(1,675)	(1,675)	-	(1,675)
Disposal of a subsidiary	-	-	-	-	151	151
Total transactions with owners	-	(357)	(327)	(684)	151	(533)
At 31 March 2023	31,713	-	5,315	37,028	0	37,028

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR TWELVE MONTHS PERIOD ENDED 31 MARCH 2023

	Note	12 MONTHS PERIOD ENDED 31.03.2023	12 MONTHS PERIOD ENDED 31.03.2022
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(10,812)	5,159
Adjustments for :			
Non-cash items		(3,648)	(442)
Non-operating items (which are investing/financing)		631	329
Operating (loss)/profit before changes in working capital		(13,829)	5,046
Changes in working capital :			
Net changes in current assets		16,321	(9,945)
Net changes in current liabilities		1,743	(4,183)
Cash from/(used in) operations		4,234	(9,083)
Tax paid		(1,018)	(382)
Net cash from/(used in) operating activities		3,217	(9,465)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash from investing activities		14,922	3,721
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		(14,174)	(7,845)
Net increase/(decrease) in cash and cash equivalents		3,965	(13,589)
Cash and cash equivalents at beginning of financial period		(5,434)	8,155
Cash and cash equivalents at end of the year	(i)	(1,469)	(5,434)
Note (i) :			
Represented by :			
Cash and bank balances		3,504	2,581
Deposits placed with licensed banks		4,799	4,647
Less : Pledged deposits		(4,318)	(3,452)
		3,985	3,775
Less : Bank Overdraft		(5,454)	(9,209)
		(1,469)	(5,434)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.

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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 2022.

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 2022 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 April 2022 as disclosed below.

Amendments / Improvements to MFRSs

MFRS 1	First-time Adoption Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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.

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Notes to the Interim Financial Report (cont'd)

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	Elimination RM'000	Group RM'000
12 months ended 31 March 2023									
Revenue									
External sales	-	4,960	24,239	152	63	2,971	51	-	32,436
Inter-segment sales	-	-	-	-	-	-	-	-	-
	-	4,960	24,239	152	63	2,971	51	-	32,436
Results									
Segment result	(4,915)	(4,139)	(9,559)	596	(107)	(279)	(3,881)	8,314	(13,972)
Finance costs	(9)	(768)	(288)	-	-	(50)	(854)	65	(1,903)
(Loss)/Profit before tax	(4,924)	(4,907)	(9,848)	596	(107)	(329)	(4,735)	8,379	(15,875)
Tax expense	(0)	(107)	(67)	(85)	(21)	-	-	(290)	(570)
(Loss)/Profit after tax	(4,925)	(5,014)	(9,914)	511	(127)	(329)	(4,735)	8,089	(16,447)

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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
9 months ended 31 Dec 2021										
Revenue										
External sales	-	34,115	17,709	134	-	6,997	6	-	-	58,961
Inter-segment sales	-	-	-	90	-	-	-	-	(90)	-
	-	34,115	17,709	224	-	6,997	6	-	(90)	58,961
Results										
Segment result	4,785	7,013	373	(147)	(1,521)	763	(1,603)	1,249	(5,735)	5,177
Finance costs	(5)	(590)	(300)	-	-	(90)	(740)	-	36	(1,689)
(Loss)/Profit before tax	4,780	6,423	73	(147)	(1,521)	673	(2,343)	1,249	(5,699)	3,488
Tax credit/(expense)	4	(104)	-	(491)	(34)	(171)	-	-	-	(796)
(Loss)/Profit after tax	4,784	6,319	73	(638)	(1,555)	502	(2,343)	1,249	(5,699)	2,692

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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 2022.

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 during the financial quarter under review except for the following: -

On 14 October 2022, the Company has disposed 2 ordinary shares in Stella Healthcare Holdings Sdn Bhd ("SHH"), representing 100% of the total number of issued shares of SHH for a total cash consideration of RM12 million to Panorama Elit Sdn Bhd. Upon completion of the disposal, SHH has ceased to be a subsidiary of Stella Holdings Berhad.

On 13 January 2023. The Company has completed the disposal of SHH.

A12 Contingent liabilities or contingent assets

The Company has given corporate guarantees amounting to RM26.59 million (31/03/2022: RM32.61 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 RM19.55 million (31/03/2022: RM24.74 million).

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

	INDIVIDUAL PERIOD (4TH QUARTER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR QUARTER 31.03.2022 RM'000	Change %	CURRENT YEAR TO-DATE 31.03.2023 RM'000	PRECEDING YEAR TO-DATE 31.03.2022 RM'000	Change %
<u>Continuing operations</u>						
Revenue	(4,232)	16,685	-125%	29,414	51,959	-43%
Gross profit/(loss)	1,883	4,755	-60%	(6,383)	11,084	-158%
Profit before tax/(loss)	1,490	4,919	70%	(10,812)	5,159	-310%
Profit after tax/(loss)	1,368	4,366	69%	(11,382)	4,534	-351%
<u>Discontinued operations</u>						
Revenue	-	981	-100%	3,023	7,002	-57%
Gross profit	-	366	-100%	584	2,633	-78%
Loss before tax	(729)	(1,737)	58%	(5,064)	(1,670)	203%
Loss after tax	(729)	(1,722)	58%	(5,064)	(1,842)	175%

Quarterly

For the current financial quarter, the Group recorded negative revenue of RM4.23 million and profit before tax of RM1.49 million compared to the preceding year corresponding quarter revenue of RM16.69 million and profit before tax of RM4.92 million.

For the quarter, construction segment recorded revenue from the projects namely Perkeso of RM1.39 million, Serendah of RM2.38 million, Parit Markom of RM1.29 million and Leachate of RM380,000. However, a reclassification of revenue from Nilai Impian 2 project that was recognised in the previous quarter amounting to RM9.59 million has been reclassified to contract assets for portion of works that has yet to be carried. The reclassification has resulted in negative revenue for the quarter under review. Nonetheless, no impact to the results as the corresponding cost of sales of RM9.59 million were also reclassified to accruals.

Property development segment has yet to launch the mixed development in Kuala Sungai Buloh, Kuala Selangor, thus no revenue recorded for the quarter under review.

Other income of RM2.35 million for current quarter largely contributed from gain on disposal of Stella Healthcare Group of RM1.83 million and gain on property fair value of RM380,000.

The loss from discontinued operations of RM729,000 for the quarter was losses recorded by Stella Healthcare Group for the quarter.

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Additional information required by Bursa Malaysia Listing Requirements (con'd)**B1 Review of performance (cont'd)****Year-to-date**

The Group recorded revenue of RM29.41 million and loss before tax of RM10.81 million for the financial year ended 31 March 2023 as compared to the preceding year ended 31 March 2022 with revenue of RM51.96 million and profit before tax of RM5.16 million respectively.

Significant reduction in revenue and loss before tax as compared to the corresponding preceding year was mainly due to estimated losses of RM7.04 million from Nilai Impian 2 project and reversal of profit RM1.24 million from Pagoh project upon finalisation of accounts. In addition, the decline of performance was also due to the completion of Taman Sengkang affordable housing project in the preceding year and most of the revenue and profit recognised in the financial year ended 31 March 2022.

Other income for the year mainly consists of gain on disposal of property Lot 449 of RM4.70 million, gain on disposal of Stella Healthcare Group of RM1.83 million and gain on property fair value of RM380,000.

The Group recorded losses after tax of RM16.44 million after taken into account discontinued operation loss of RM5.06 million incurred by Iris Synergy Sdn Bhd and Stella Kasih Healthcare group of RM329,000 and RM4.73 million respectively.

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

	CURRENT QUARTER ENDED 31.03.2023 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 31.12.2022 RM'000	Change %
<u>Continuing operating</u>			
Revenue	(4,232)	15,632	-127%
Gross profit/(loss)	1,883	(10,121)	-119%
Profit/(loss) before tax	1,490	(9,106)	116%
Profit/(loss) after tax	1,368	(9,541)	114%
<u>Discontinued operations</u>			
Revenue	-	0	-100%
Gross loss	-	(2)	-100%
Loss before tax	(729)	(1,729)	58%
Loss after tax	(729)	(1,729)	58%

For the current financial quarter, the Group recorded negative revenue of RM4.23 million and profit before tax of RM1.49 million compared to the immediate preceding quarter of revenue of RM15.63 million and loss before tax of RM9.12 million for continuing operating.

The revenue decreased by 127% and profit before tax increased by 116% as compared to the immediate preceding quarter.

In the preceding quarter the Company forecasted loss of RM7.58 million for the Nilai Impian 2 project. In addition, the loss in the previous quarter was also attributed to the reversal of profits from the Pagoh project of RM1.24 million and the Taman Sengkang housing project of RM1.14 million.

For the quarter, construction segment recorded revenue from the projects namely Perkeso of RM1.39 million, Serendah of RM2.38 million, Parit Markom of RM1.29 million and Leachate of RM380,000. However, a reclassification of revenue from Nilai Impian 2 project that was recognised in the previous quarter amounting to RM9.59 million has been reclassified to contract assets for portion of works that has yet to be carried. The reclassification has resulted in negative revenue for the quarter under review. Nonetheless, no impact to the results as the corresponding cost of sales of RM9.59 million were also reclassified to accruals.

The profit before tax of continuing operations for the current quarter largely contributed from gain on disposal of Stella Healthcare Group of RM1.83 million and gain on property fair value of RM380,000.

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Additional information required by Bursa Malaysia Listing Requirements (con'd)

B3 Prospects

The Group will continue to focus on its existing core businesses and operations which include construction works to be undertaken by the Group's subsidiary Mewah Kota Sdn Bhd as well as property development business to be undertaken by Paramount Ventures Sdn Bhd.

The new project from RSM Builders Sdn Bhd amounting to RM41.22 million which was awarded to the Group in the quarter under review has been progressing well and contributed positively to our earnings. The Perkeso value engineering services awarded recently also shown enhancement to the future earnings of the Group.

The disposal of the non-core business Stella Healthcare Group on 13 January 2023 has eased the Group cash flow and improved the Group's financial performance. The Group are more focus on its core business of construction segment and property development segment.

The Group under the new management will focus on our strategic objective to build a sustainable organisation to achieve the Group's long-term growth. We expect to see more jobs being awarded while continue to improve our operational efficiency to keep the Group's outlook and financial performance positive and favourable.

B4 Profit forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

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

B5 Profit Before Tax

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

	Current Quarter 31-Mar-23 RM'000	Preceding Year Quarter 31-Mar-22 RM'000	Current YTD 31-Mar-23 RM'000	Preceding Year YTD 31-Mar-22 RM'000
Interest income	(380)	(17)	(92)	(104)
Interest expenses	220	1,180	1,903	1,689
Depreciation expenses	145	196	607	363
Depreciation - right of used of asset	68	780	283	929
Gain on disposal of subsidiary	38	-	(1,831)	-
Gain on disposal of assets	(36)	(3,154)	(4,821)	(4,716)
Fair value (gain)/loss in investment property	(8)	545	(380)	545
(Gain)/loss on foreign exchange	-	-	-	-
Impairment loss on receivables	-	612	-	612
Loss on fair value adjustment on retention sum	-	522	-	522

B6 Taxation

	Current Quarter 31-Mar-23 RM'000	Preceding Year Quarter 31-Mar-22 RM'000	Current YTD 31-Mar-23 RM'000	Preceding Year YTD 31-Mar-22 RM'000
- Prior year tax	7	4	33	40
- Current year tax	179	50	201	91
- Real property gain tax	47	435	447	435
- Deferred tax	(111)	64	(111)	60
	122	553	570	625

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-Mar-23 RM'000	As at 31-Mar-22 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	5,454	9,209
- Revolving Credit	6,000	6,000
- Lease Liabilities	128	521
- Term Loans	-	62
	11,582	15,792
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	3,801	17,729
- Term Loans	-	988
	3,801	18,717
Total Borrowings	15,383	34,509

B10 Material litigation

There is no material litigation for the financial period as at 31 March 2023.

B11 Dividend

No dividends were proposed or declared for the current quarter and financial year to date (2022: RM1.68 million).

B12 Earnings per share

The basic/diluted earnings per share for the financial period has been calculated based on the consolidated loss after taxation attributable to the owners of the parent of RM14.39 million and on the number of ordinary shares issue of 67,000,000.

By Order of the Board
Chin Foong Ping
MAICSA 7044276
Company Secretary
Shah Alam
25 May 2023