

VARIA BERHAD
(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.03.2023 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	8,127	6,499
Inventories	11,311	8,835
Investment properties	11,330	11,330
Goodwill on consolidation	356,212	-
Asset held for sale	-	5,800
	386,980	32,464
Current Assets		
Inventories	6,461	6,026
Contract costs	22,819	-
Contract assets	44,921	4,265
Trade receivables	54,062	11,194
Other receivables, deposits and prepayments	7,899	7,736
Current tax assets	144	30
Deposits placed with licensed banks	3,734	4,799
Cash and bank balances	3,622	3,504
	143,662	37,554
TOTAL ASSETS	530,642	70,018
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	311,713	31,713
Employee share option reserve	-	-
Retained earnings	8,271	5,315
Shareholders' Equity	319,984	37,028
Non-Controlling Interest	-	-
Total Equity	319,984	37,028
Non Current Liabilities		
Loans and borrowings	105,199	3,739
Deferred tax liabilities	330	221
Trade payables and other payables	7,374	-
	112,903	3,961
Current Liabilities		
Contract liabilities	37,873	3,053
Trade payables	39,483	8,459
Other payables, accruals and deposits	8,595	5,874
Loans and borrowings	5,819	11,643
Current tax liabilities	5,986	-
	97,756	29,029
Total Liabilities	210,658	32,990
TOTAL EQUITY AND LIABILITIES	530,642	70,018
Net assets per share attributable to owner of the parent	0.77	0.55

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.

VARIA BERHAD
(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR
NINE MONTHS PERIOD ENDED 31 DECEMBER 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2023 RM'000	PRECEDING YEAR QUARTER 31.12.2022 RM'000	CURRENT YEAR TO-DATE 31.12.2023 RM'000	PRECEDING YEAR TO-DATE 31.12.2022 RM'000
Revenue	42,113	15,632	82,531	33,698
Cost of sales	(31,489)	(25,755)	(66,461)	(41,935)
Gross profit	10,626	(10,123)	16,071	(8,237)
Other operating income	94	4,877	601	5,432
Total income	10,718	(5,245)	16,670	(2,805)
Administrative operating costs	(4,718)	(5,059)	(8,846)	(11,968)
Profit/(loss) from operation	6,000	(10,304)	7,824	(14,773)
Finance cost	(1,030)	(517)	(1,425)	(1,535)
Profit/(loss) before taxation	4,970	(10,821)	6,399	(16,308)
Tax expense	(2,812)	(434)	(3,444)	(448)
Profit/(loss) from continuing operations	2,158	(11,256)	2,955	(16,757)
Discontinued operations				
Loss from discontinued operations	-	(14)	-	(329)
Total comprehensive profit/(loss) for the period	2,158	(11,270)	2,955	(17,086)
Profit/(loss) attributable to :				
Owners of the parent	2,158	(10,579)	2,955	(15,325)
-From continuing operations	2,158	(10,565)	2,955	(14,996)
-From discontinued operations	-	(14)	-	(329)
Non-controlling interests	-	(691)	-	(1,761)
	2,158	(11,270)	2,955	(17,086)
Total comprehensive profit/(loss) attributable to :				
Owners of the parent	2,158	(10,579)	2,955	(15,325)
-From continuing operations	2,158	(10,565)	2,955	(14,996)
-From discontinued operation	-	(14)	-	(329)
Non-controlling interest	-	(691)	-	(1,761)
Total comprehensive profit/(loss)	2,158	(11,270)	2,955	(17,086)
Earnings/(loss) per share : --	sen	sen	sen	sen
- basic / diluted	0.52	(15.79)	0.71	(22.87)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023

VARIA BERHAD
(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 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 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	-	1,048	(57)	991	-	991
Lapsed share options	-	(1,284)	1,284	-	-	-
Disposal of subsidiaries	-	(121)	121	-	150	150
Dividend paid on shares	-	-	(1,675)	(1,675)	-	(1,675)
Total transactions with owners	-	(357)	(327)	(684)	150	(534)
At 31 March 2023	31,713	-	5,315	37,028	-	37,028
Total comprehensive profit for the financial period	-	-	2,955	2,955	-	2,955
Transactions with owners						
Issuance of ordinary shares	280,000	-	-	280,000	-	280,000
Total transaction with owners	280,000	-	-	280,000	-	280,000
At 31 December 2023	31,713	-	8,271	39,984	-	319,984

VARIA BERHAD
(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2023

Note	9 MONTHS PERIOD ENDED 31.12.2023 RM'000	9 MONTHS PERIOD ENDED 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	6,399	(16,308)
Adjustments for :		
Non-cash items	702	(3,535)
Non-operating items (which are investing/financing)	362	5,207
Operating profit/(loss) before changes in working capital	7,463	(14,636)
Changes in working capital :		
Net changes in current assets	(19,663)	15,438
Net changes in current liabilities	9,846	11,267
Cash from operations	(2,354)	12,069
Tax paid	(3,444)	(240)
Net cash (used in) / from operating activities	(5,798)	11,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	13,764	(7,711)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash from financing activities	(6,254)	1,294
Net increase in cash and cash equivalents	1,712	5,412
Cash and cash equivalents at beginning of financial period	(1,469)	(6,666)
Cash and cash equivalents at end of the financial period (i)	243	(1,254)
Note (i) :		
Represented by :		
Cash and bank balances	3,622	4,201
Deposits placed with licensed banks	3,734	4,604
Less : Pledged deposits	(3,254)	(4,604)
	4,103	4,201
Less : Bank Overdraft	(3,861)	(5,455)
	243	(1,254)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration 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 Change in financial year end

The Company has changed its financial year end from 31 March to period ending 30 June as announced on 23 November 2023. All the subsidiary companies of Varia Berhad will adopt the change accordingly. As a result, the next audited financial statements of the Company will be covering a period of 15 months ending 30 June 2024.

A3 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 2023.

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 2023 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 April 2023 as disclosed below.

Amendments / Improvements to MFRSs

MFRS 1	First-time Adoption Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
NFRS 107	Statement of Cash Flow
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.

A4 Seasonal or cyclical factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

A5 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.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

Notes to the Interim Financial Report (cont'd)

A6 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.

A7 Debt and equity securities

- (i) On 31 July 2023, the Company entered into a conditional Share Sale Agreement (“SSA”) with Datuk Lau Beng Wei, Datuk Lau Beng Sin, Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khoon Chiang for the proposed acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd, for a total purchase consideration of RM380.00 million (“Proposed Acquisition”) to be satisfied via cash consideration of RM100.00 million and the balance of RM280.00 million by way of issuance of 350,000,000 new ordinary shares in Varia Berhad at an issue price of RM0.80 per share.

Subsequently, on 2 October 2023, the Company had entered into a supplemental agreement (“Supplemental Agreement”) with the Vendors and VES, to amongst others, vary, amend, and/or alter certain provisions, terms and conditions of the SSA and to provide for accession by VES as a party to the SSA as one of the vendors in respect of the Proposed Acquisition in accordance with the terms of the Supplemental Agreement (“Variation”).

- (ii) On 6 September 2023, the Company accepted term loan facilities of up to RM101.0 million comprising term loan 1 of RM100.0 million (“TL 1”) and term loan 2 of RM1.0 million (“TL 2”) (collectively, “Term Loan Facilities”) offered by AmBank (M) Berhad.

The purpose of TL 1 is to part finance up to RM100.0 million of the Proposed Acquisition and TL 2 will be used to finance the Reducing Term Assurance (RTA) / Level Term Assurance (LTA) / keyman insurance premium of up to RM1.0 million to cover the life of the Company’s directors / key management / shareholders / appointed nominees. Any unutilised portion of TL 2 will be cancelled.

- (iii) On 16 November 2023, the Proposed Acquisition has completed in accordance with the terms of the SSA.

A8 Dividend paid

No dividend was paid for the current quarter under review.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 December 2023							
Revenue							
External sales	-	270	82,177	84	-	-	82,531
Inter-segment sales	-	-	-	-	-	-	-
	-	270	82,177	84	-	-	82,531
Results							
Segment result	(3,336)	(2,177)	13,288	41	25	7	7,849
Finance costs	(873)	(485)	(91)	-	-	-	(1,450)
(Loss)/Profit before tax	(4,209)	(2,661)	13,197	41	25	7	6,399
Tax expense	-	(525)	(2,881)	(27)	(10)	-	(3,444)
(Loss)/profit after tax	(4,209)	(3,187)	10,316	14	15	7	2,955

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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 December 2022										
Revenue										
External sales	-	4,960	28,568	118	-	2,971	51	-	-	36,668
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
	-	4,960	28,568	118	-	2,971	51	-	-	36,668
Results										
Segment result	(1,986)	(2,830)	(10,804)	304	33	(279)	(3,243)	-	3,753	(15,052)
Finance costs	(7)	(581)	(248)	-	-	(50)	(756)	-	56	(1,586)
(Loss)/Profit before tax	(1,993)	(3,411)	(11,052)	304	33	(329)	(3,999)	-	3,809	(16,638)
Tax expense	-	(8)	(18)	(411)	(11)	-	-	-	-	(448)
(Loss)/Profit after tax	(1,993)	(3,419)	(11,070)	(107)	22	(329)	(3,999)	-	3,809	(17,086)

VARIA BERHAD

(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

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 2023.

A10 Material subsequent events

On 29 January 2024, the Company announced that Mewah Kota Sdn Bhd, a wholly-owned subsidiary of the Company, has accepted a Letter of Award from Kator Construction Sdn Bhd for a project known as “Rancangan Tebatan Banjir Sungai Klang di Seksyen 25 Shah Alam, Daerah Klang, Selangor” (“Project”) – Appointment as sub-contractor of the Project (“Contract”).

The total sum of the Contract is Ringgit Malaysia Ninety Four Million Eight Hundred Sixty Four Thousand and Thirty Six (RM94,864,036.00) only. The Contract is for a period of 60 months from the date of commencement on 1 February 2024 until the date of completion which shall be on 31 January 2029.

The Contract is expected to contribute positively to the earnings of Varia Group for the relevant financial periods within the duration of the Contract. The Contract will not have any effect on the share capital and shareholding structure of Varia.

Other than the above, 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 31 July 2023, the Company entered into a conditional Share Sale Agreement (“SSA”) with Datuk Lau Beng Wei, Datuk Lau Beng Sin, Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khoon Chiang for the proposed acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd, for a total purchase consideration of RM380.00 million (“Proposed Acquisition”) to be satisfied via cash consideration of RM100.00 million and the balance of RM280.00 million by way of issuance of 350,000,000 new ordinary shares in Varia Berhad at an issue price of RM0.80 per share.

Subsequently, on 2 October 2023, the Company had entered into a supplemental agreement (“Supplemental Agreement”) with the Vendors and VES, to amongst others, vary, amend, and/or alter certain provisions, terms and conditions of the SSA and to provide for accession by VES as a party to the SSA as one of the vendors in respect of the Proposed Acquisition in accordance with the terms of the Supplemental Agreement (“Variation”).

On 16 November 2023, the Proposed Acquisition has completed in accordance with the terms of the SSA.

A12 Contingent liabilities or contingent assets

The Company has given corporate guarantees amounting to RM40.20 million (31/03/2023: RM26.59 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 RM10.73 million (31/03/2023: RM19.55 million).

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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

	INDIVIDUAL PERIOD (3RD QUARTER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER 31.12.2023 RM'000	PRECEDING YEAR QUARTER 31.12.2022 RM'000	Change %	CURRENT YEAR TO-DATE 31.12.2023 RM'000	PRECEDING YEAR TO-DATE 31.12.2022 RM'000	Change %
	Revenue	42,113	15,632	169%	82,531	33,698
Gross profit	10,626	(10,123)	205%	16,071	(8,237)	295%
Profit/(loss) before tax	4,970	(10,821)	146%	6,399	(16,308)	139%
Profit/(loss) after tax	2,158	(11,256)	119%	2,955	(16,757)	118%

Quarterly

For the current financial quarter, the Group recorded revenue of RM42.11 million and profit before tax of RM4.97 million compared to the preceding year corresponding quarter revenue of RM15.63 million and loss before tax of RM10.82 million. The revenue and profit before tax increased by 169% and 146% respectively compared to the preceding year corresponding quarter. The improved performance was largely contributed by construction segment.

The construction segment recorded revenue of RM41.82 million and profit before tax of RM8.95 million. Pembinaan Teguh Maju Sdn Bhd (“PTM”) contributed 68% amounting to RM29.06 million of total revenue and profit before tax of RM8.53 million (consolidated effective from 1 Nov 2023 to 31 Dec 2023). The gross profit of RM10.63 million for the quarter was mainly contributed by project Kem Bera of RM6.92 million, Perkeso of RM893,000, Kuarters Hospital Pulau Pinang (KHPP) of RM781,000 and Pulau Indah of RM691,000 and UDA, Penang RM580,000.

For property segment, Taman Arowana Phase 1, 106 units of single-story development project generated revenues of RM270,000 and a gross profit of RM42,000. The rise in interest rates has led to increase borrowing costs, impacting affordability and causing a slowdown in sales. Consequently, the sale has taken longer than expected. In response to sluggish sales and constrained cash flow, management has slowdown construction progress to align with sales and avoid premature site works that could further strain the company's cash flow. In the upcoming quarter, the construction progress will be expedited and sales accelerated which will incrementally recognise more revenue from property development.

Year-to-date

For the nine months ended 31 December 2023, the Group recorded revenue of RM82.53 million and profit before tax of RM6.40 million as compared to corresponding preceding nine months ended 31 December 2022 revenue of RM33.70 million and loss before tax of RM16.31 million.

The improvement in the current nine months results was mainly contributed from newly acquired company, Pembinaan Teguh Maju Sdn Bhd (“PTM”), consolidated results effective from 1 Nov 2023. PTM has contributed total revenue of RM29.06 million and profit before tax of RM8.53 million for the quarter. The construction segment was the major contributor to the Group results.

For property segment, the Taman Arowana Phase 1, 106 units of single-story development project has generated revenues of RM270,000 and a gross profit of RM42,000 in the third quarter of financial year.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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 31.12.2023 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.09.2023 RM'000	Change %
Revenue	42,113	20,471	106%
Gross profit	10,626	2,620	306%
Profit before tax	4,970	1,238	301%
Profit after tax	2,158	645	234%

For the current financial quarter, the Group recorded revenue of RM42.11 million and profit before tax of RM4.97 million compared to the immediate preceding quarter revenue of RM20.47 million and profit before tax of RM1.24 million.

The revenue increased by 106% and profit before tax increased by 301% as compared to the immediate preceding quarter. The improvement in the current three months results was mainly contributed from newly acquired company, Pembinaan Teguh Maju Sdn Bhd (“PTM”), consolidated effective from 1 Nov 2023. During the quarter, PTM has contributed total revenue of RM29.06 million and profit before tax of RM8.53 million for the quarter.

In tandem with the higher revenue recorded for this current quarter, the profit before tax increased by 301% compared to preceding year’s immediate quarter. The profit for the current quarter was largely contributed by ongoing PTM project namely Kem Bera RM9.36 million, Perkeso RM7.44 million, Pulau Indah RM5.76 million, Kuarters Hospital Pulau Pinang (KHPP) RM5.56 million and UDA, Penang RM580,000 from Mewah Kota.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)
Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

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

B3 Prospects

Varia Berhad has recently made significant strides, notably through the acquisition of Pembinaan Teguh Maju Sdn Bhd ("PTM"), now a wholly-owned subsidiary, and the strategic rebranding from Stella Holdings Bhd. This move, along with aligning the financial year-end to 30 June to match PTM's reporting period, positions Varia to effectively leverage upcoming opportunities in the construction sector.

Nonetheless, PTM's diversified order book, valued at RM1.10 billion and spanning sectors from building construction to mechanical and electrical (M&E) projects, is poised to significantly bolster Varia's financial performance over the coming years, reflecting the broader sector's growth trajectory. Furthermore, on 29 January 2024, Mewah Kota Sdn Bhd, a wholly-owned subsidiary of Varia, was awarded a Letter of Award from Kator Construction Sdn Bhd for the "Rancangan Tebatan Banjir Sungai Klang di Seksyen 25 Shah Alam, Daerah Klang, Selangor" project. This subcontracting engagement, valued at RM94,864,036.00, spans 60 months, commencing on 1 February 2024 and concluding on 31 January 2029.

In the property development segment, Taman Arowana Phase 1, 106 units of single-story development project has provided a silver lining as 34 of the 106 single-storey units, representing 32%, were sold, with Sales Purchase Agreements (SPAs) signed and loans approved during the quarter under review.

Varia Berhad remains optimistic about the future, confident that growth in both the construction and property development segments will continue to strengthen and deliver satisfactory results by securing more projects. This confidence is underpinned by the company's strategic initiatives and the positive industry trends, positioning Varia Berhad to thrive in Malaysia's expanding economic landscape.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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

On 31 July 2023, the Company entered into a conditional Share Sale Agreement (“SSA”) with Datuk Lau Beng Wei, Datuk Lau Beng Sin, Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khooon Chiang (Collectively, “the Vendors”) for the proposed acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd (“PTM”), for a total purchase consideration of RM380.00 million (“Proposed Acquisition”). The acquisition of PTM was completed on 16 November 2023.

Subsequently, on 2 October 2023, the Company had entered into a supplemental agreement (“Supplemental Agreement”) with the Vendors and VES, to amongst others, vary, amend, and/or alter certain provisions, terms and conditions of the SSA and to provide for accession by VES as a party to the SSA as one of the vendors in respect of the Proposed Acquisition in accordance with the terms of the Supplemental Agreement (“Variation”).

Under clause 7.1 (a) of the SSA, the Vendors irrevocably and unconditionally guarantee, jointly and severally to the Company that the Actual Aggregate Profit after tax (“PAT”) for the Guaranteed Financial Years namely FYEs 30 June 2024, 30 June 2025 and 30 June 2026 shall collectively be not less than the Aggregate Guaranteed Profit.” i.e. RM120 million on an aggregate basis resulting in the Average Profit Guarantee of RM40 million per annum.

B5 Profit Before Tax

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

	Current Quarter 31-Dec-23 RM'000	Preceding Year Quarter 31-Dec-22 RM'000	Current YTD 31-Dec-23 RM'000	Preceding Year YTD 31-Dec-22 RM'000
Interest income	(56)	(27)	(121)	(76)
Interest expenses	1,030	517	1,425	1,535
Depreciation expenses	243	445	450	806
Depreciation - right of used of asset	197	219	252	680
Gain on disposal of assets	(200)	(4,662)	(283)	(4,683)

B6 Taxation

	Current Quarter 31-Dec-23 RM'000	Preceding Year Quarter 31-Dec-22 RM'000	Current YTD 31-Dec-23 RM'000	Preceding Year YTD 31-Dec-22 RM'000
Prior year tax	(107)	26	(107)	26
Current year tax	2,919	7	2,997	22
Real property gain tax	-	401	-	400
Total	2,812	434	2,890	448

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.

VARIA BERHAD

(formerly known as Stella Holdings Berhad)

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

Additional information required by Bursa Malaysia Listing Requirements (cont'd)**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-Dec-23 RM'000	As at 31-Dec-22 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	5,537	5,455
- Revolving Credit	-	6,000
- Lease Liabilities	282	1,764
	5,819	13,219
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	4,199	22,447
- Term Loans	101,000	-
	105,199	22,447
Total Borrowings	111,018	35,666

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 (2023: RM Nil).

B12 Earnings per share

The basic/diluted 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 RM2.96 million and on the number of ordinary shares issue of 417,000,000.

By Order of the Board
Chin Foong Ping
MAICSA 7044276
Company Secretary
Shah Alam
22 February 2024