

**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 30 JUNE 2024**

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.03.2023 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	9,177	6,499
Inventories	11,308	8,835
Investment properties	11,550	11,330
Goodwill on consolidation	369,332	-
Intangible assets	64,269	-
Asset held for sale	-	5,800
	<b>465,636</b>	<b>32,464</b>
<b>Current Assets</b>		
Inventories	9,002	6,026
Contract costs	17,831	-
Contract assets	29,540	4,265
Trade receivables	115,348	11,194
Other receivables, deposits and prepayments	6,730	7,736
Current tax assets	895	30
Deposits placed with licensed banks	3,302	4,318
Cash and bank balances	2,395	3,985
	<b>185,043</b>	<b>37,554</b>
<b>TOTAL ASSETS</b>	<b>650,679</b>	<b>70,018</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	381,713	31,713
Retained earnings	6,079	5,315
Shareholders' Equity	387,792	37,028
Non-Controlling Interest	-	-
<b>Total Equity</b>	<b>387,792</b>	<b>37,028</b>
<b>Non Current Liabilities</b>		
Loans and borrowings	91,300	3,740
Deferred tax liabilities	15,777	221
Trade payables and other payables	7,374	-
	<b>114,451</b>	<b>3,961</b>
<b>Current Liabilities</b>		
Contract liabilities	43,210	3,053
Trade payables	75,110	8,459
Other payables, accruals and deposits	7,967	5,874
Loans and borrowings	22,149	11,643
Current tax liabilities	-	-
	<b>148,436</b>	<b>29,029</b>
<b>Total Liabilities</b>	<b>262,887</b>	<b>32,990</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>650,679</b>	<b>70,018</b>
Net assets per share attributable to owner of the parent	<b>0.93</b>	<b>0.55</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 2023.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR  
FIFTEEN MONTHS PERIOD ENDED 30 JUNE 2024**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT PERIOD QUARTER <u>3-month</u> 30.06.2024 RM'000	PREVIOUS CORRESPONDING QUARTER <u>3-month</u> 30.06.2023 RM'000	CURRENT PERIOD TO-DATE <u>15-month</u> 30.06.2024 RM'000	PRECEDING YEAR TO-DATE <u>12-month</u> 31.03.2023 RM'000
Revenue	84,865	19,947	233,177	29,350
Cost of sales	(75,285)	(17,120)	(199,833)	(35,792)
Gross profit/(loss)	9,580	2,827	33,344	(6,442)
Other operating income	362	199	1,114	6,677
Total income	9,942	3,026	34,458	235
Administrative operating costs	(4,601)	(2,572)	(17,503)	(10,047)
Profit/(loss) from operation	5,341	454	16,955	(9,812)
Amortisation of intangible assets	(10,573)	-	(10,573)	-
Finance cost	(1,929)	(263)	(5,156)	(1,000)
Profit/(loss) before taxation	(7,161)	191	1,226	(10,812)
Tax expense	3,002	(39)	(462)	(570)
Profit/(loss) from continuing operations	(4,159)	152	764	(11,382)
<b>Discontinued operations</b>				
Loss from discontinued operations	-	-	-	(5,064)
Total comprehensive profit/(loss) for the period	(4,159)	152	764	(16,446)
Profit/(loss) attributable to :				
Owners of the parent	(4,159)	152	764	(14,392)
-From continuing operations	(4,159)	152	764	(9,328)
-From discontinued operations	-	-	-	(5,064)
Non-controlling interests	-	-	-	(2,054)
Total comprehensive profit/(loss) attributable to :				
Owners of the parent	(4,159)	152	764	(14,392)
-From continuing operations	(4,159)	152	764	(9,328)
-From discontinued operation	-	-	-	(5,064)
Non-controlling interest	-	-	-	(2,054)
Total comprehensive profit/(loss)	(4,159)	152	764	(16,446)
Earnings/(loss) per share :--	sen	sen	sen	sen
- basic / diluted	(1.00)	0.23	0.18	(21.48)

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2024**

	Share capital	Employee share option reserve	Retained earnings	Sub-total	Non- controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
<b>At 1 April 2022 (Audited)</b>	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)
<b>At 31 March 2023 (Audited)</b>	31,713	-	5,315	37,028	-	37,028
Total comprehensive profit for the financial period	-	-	764	764	-	764
Transactions with owners						
Issuance of ordinary shares	350,000	-	-	350,000	-	350,000
Total transaction with owners	350,000	-	-	350,000	-	350,000
<b>At 30 June 2024 (Unaudited)</b>	<b>381,713</b>	<b>-</b>	<b>6,079</b>	<b>387,792</b>	<b>-</b>	<b>387,792</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR  
FIFTEEN MONTHS PERIOD ENDED 30 JUNE 2024**

Note	<b>15 MONTHS PERIOD ENDED 30.06.2024  RM'000</b>	<b>12 MONTHS PERIOD ENDED 31.03.2023  RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	1,226	(10,812)
Adjustments for :		
Non-cash items	11,182	(3,648)
Non-operating items (which are investing/financing)	4,864	631
Operating profit/(loss) before changes in working capital	17,273	(13,829)
Changes in working capital :		
Net changes in current assets	(66,709)	16,321
Net changes in current liabilities	50,308	1,743
Cash from operations	871	4,235
Tax paid	(7,667)	(1,018)
Net cash (used in) / from operating activities	(6,796)	3,217
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities	(85,928)	14,922
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash from financing activities	93,078	(14,174)
Net increase in cash and cash equivalents	354	3,965
Cash and cash equivalents at beginning of financial period	(1,469)	(5,434)
Cash and cash equivalents at end of the financial period (i)	(1,115)	(1,469)
Note (i) :		
Represented by :		
Cash and bank balances	2,876	3,504
Deposits placed with licensed banks	2,821	4,799
Less : Pledged deposits	(2,821)	(4,318)
	2,876	3,985
Less : Bank Overdraft	(3,992)	(5,454)
	(1,116)	(1,469)

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.

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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 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.

#### New MFRS

MFRS 17 Insurance Contract

#### Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of these new MFRS and amendments to MFRSs 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.

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### **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**

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 RM350.00 million by way of issuance of 350,000,000 new ordinary shares in Varia Berhad based on closing share price of RM1.00 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”)

The Proposed Acquisition has completed on 16 November 2023 in accordance with the terms of the SSA.

The movement in the Company’s issued shares capital is illustrated as follows:

	Number of shares	Amount (RM)
<b>Issued share capital</b>		
As at 1 April 2023	67,000,000	31,712,508
Issuance of new ordinary shares	350,000,000	350,000,000
As at 30 June 2024	417,000,000	381,712,508

Save as disclosed below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter and current financial year-to-date.

#### **A8 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	Elimination RM'000	Group RM'000
<b>15 months ended 30 June 2024</b>							
<b>Revenue</b>							
External sales	-	1,396	231,647	134	-	-	233,177
Inter-segment sales	-	-	-	-	-	-	-
	-	1,396	231,647	134	-	-	233,177
<b>Results</b>							
Segment result	(5,474)	(3,330)	25,612	264	21	(10,711)	6,382
Finance costs	(4,221)	(798)	(171)	-	-	34	(5,156)
(Loss)/Profit before tax	(9,695)	(4,128)	25,441	264	21	(10,677)	1,226
Tax expense	-	(532)	(2,399)	(52)	(16)	2,537	(462)
<b>Profit/(loss) after tax</b>	<b>(9,695)</b>	<b>(4,660)</b>	<b>23,042</b>	<b>212</b>	<b>5</b>	<b>(8,140)</b>	<b>764</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	Elimination RM'000	Group RM'000
<b>12 months ended 31 March 2023</b>									
<b>Revenue</b>									
External sales	-	4,960	24,239	152	-	2,971	51	-	32,373
Inter-segment sales	-	-	-	-	-	-	-	-	-
	-	4,960	24,239	152	-	2,971	51	-	32,373
<b>Results</b>									
Segment result	(4,915)	(4,138)	(9,561)	596	(107)	(279)	(3,881)	8,314	(13,972)
Finance costs	(9)	(768)	(288)	-	-	(50)	(854)	65	(1,904)
(Loss)/Profit before tax	(4,924)	(4,906)	(9,849)	596	(107)	(329)	(4,735)	8,379	(15,876)
Tax expense	-	(107)	(67)	(85)	(21)	-	-	(290)	(570)
<b>(Loss)/Profit after tax</b>	<b>(4,924)</b>	<b>(5,013)</b>	<b>(9,916)</b>	<b>511</b>	<b>(127)</b>	<b>(329)</b>	<b>(4,735)</b>	<b>8,089</b>	<b>(16,446)</b>



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### **Notes to the Interim Financial Report (cont'd)**

#### **A9 Valuation of property, plant and equipment and investment properties**

The fair value of the investment properties is determined by directors' estimation and referring to an external independent property valuer, with appropriate recognized professional qualifications and recent experience in the location and category of property being valued.

#### **A10 Material subsequent events**

- (i) On 23 July 2024, the Company announced that Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia has accepted a Letter of Award from Best Metro Builder Sdn Bhd for a project known as "Projek Menaiktaraf Loji Rawatan Kumbahan Serantau di Mak Mandin dan Pembinaan Rangkaian Paip Pembedungan Dalam Kawasan Tadahan Butterworth North, Pulau Pinang (Reka Dan Bina)" ("**Project**") – appointment as sub-contractor to supply labour, plants, materials, equipment, tools, transport, temporary works and ancillary needed for the design, construction and completion of sewerage treatment plant, network pump station, sewerage network, rationalisation and decommissioning, testing, commissioning and maintenance works of the Project ("**Contract**").

The total sum of the Contract is Ringgit Malaysia Five Hundred and Fifty-Five Million (RM555,000,000.00) only. The Contract is for a period of 57 months from the date of commencement on 25 June 2024 or the commencement from individual site possession kick off date (whichever is the later) until the date of completion which shall be on 24 March 2029.

- (ii) On 23 July 2024, the Company announced that it had fixed 23 July 2024 as the Price Fixing Date for the issue price of the first tranche of the Placement Shares at RM0.7621 each ("Issue Price").

The Issue Price represents a discount of approximately RM0.1344 or 14.99% to the 5-day volume weighted average market price of ordinary shares in Varia ("Varia Shares") up to and including 22 July 2024, being the last market day immediately preceding the Price Fixing Date, of RM0.8965 per Varia Share.

- (iii) On 14 August 2024, the Company announced that Pembinaan Teguh Maju Sdn Bhd, a wholly owned subsidiary of Varia, has on 14 August 2024 accepted a Letter of Award from Kemuncak Pesaka Sdn Bhd for a project known as "Cadangan Mereka Bentuk, Membina, Menyiapkan, Menguji dan Mentaullah Pembinaan Asrama Pelajar, Pusat Antarabangsa dan Mobiliti, Pusat Kemahiran Bahasa, Ruang-Ruang Sokongan dan Infrastruktur Luaran, serta Kerja-Kerja berkaitan dengannya di Kampus Sultan Azlan Shah (KSAS), Universiti Pendidikan Sultan Idris, Tanjong Malim, Perak" ("**Project**") – appointment as sub-contractor for the construction and completion of main building works and external works of the Project ("**Contract**").

The total sum of the Contract is Ringgit Malaysia Sixty One Million Four Hundred and Forty Eight Thousand (RM61,448,000.00) only. The Contract is for a period of 31 months from the date of commencement on 19 August 2024 until the date of completion on 31 March 2027.

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### **Notes to the Interim Financial Report (cont'd)**

#### **A10 Material subsequent events (cont'd)**

- (iv) On 21 August 2024, the Company announced that it had fixed 21 August 2024 as the Price Fixing Date for the issue price of the second tranche of the Placement Shares at RM0.8770 each (“Issue Price”).

The Issue Price represents a discount of approximately RM0.1546 or 14.99% to the 5-day volume weighted average market price of ordinary shares in Varia (“Varia Shares”) up to and including 20 August 2024, being the last market day immediately preceding the Price Fixing Date, of RM1.0316 per Varia Share.

- (v) On 27 August 2024, the Company announce that Pembinaan Teguh Maju Sdn Bhd, a wholly owned subsidiary of Varia, has accepted a Letter of Award from Kator Construction Sdn Bhd for a project known as “Rancangan Tebatan Banjir Sungai Muar Fasa 3 Pakej 1 di Daerah Segamat, Johor – Menaiktaraf Sungai Muar di antara pertemuan Sungai Jementah sehingga pertemuan Sungai Labis serta Kerja-Kerja Berkaitan (“**Project**”) – Appointment as sub-contractor of the Project (“**Contract**”).

The total sum of the Contract is RM410,301,352.84. The commencement and completion dates for the Contract shall align with the main contract’s timeframe, for a period of 60 months from the date of commencement on 23 July 2024 until the date of completion on 22 July 2029.

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 for the current quarter under review.

#### **A12 Contingent liabilities or contingent assets**

The Company has given corporate guarantees amounting to RM98.70 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 RM22.64 million (31/03/2023: RM19.55 million).

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### Additional information required by Bursa Malaysia Listing Requirements

#### B1 Review of performance

	INDIVIDUAL PERIOD (5TH QUARTER)			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER <u>3-month</u> 30.06.2024 RM'000	PREVIOUS CORRESPONDING QUARTER <u>3-month</u> 30.06.2023 RM'000	Change %	CURRENT YEAR TO-DATE <u>15-month</u> 30.06.2024 RM'000	PRECEDING YEAR TO-DATE <u>12-month</u> 31.03.2023 RM'000	Change %
	Revenue	84,865	19,947	325%	233,177	29,350
Gross profit/(loss)	9,580	2,827	239%	33,344	(6,442)	618%
EBITDA	5,673	658	762%	18,329	(8,759)	309%
Profit/(loss) before tax	(7,161)	191	-3854%	1,226	(10,812)	111%
Profit/(loss) after tax	(4,159)	152	-2843%	764	(11,382)	107%

#### Quarterly

For the current financial quarter, the Group recorded revenue of RM84.87 million and loss before tax of RM7.16 million

During the financial period ended 30 Jun 2024, the Group acquired Pembinaan Teguh Maju Sdn Bhd (“PTM”) and based on MFRS 3: Business Combination, Purchase Price Allocation (“PPA”) exercise is required to determine and recognise the fair value of the identifiable assets and liabilities acquired (including intangible assets and goodwill) in a business combination and reflected in the consolidated financial statements at the acquisition date.

Based on the PPA report prepared by an independent valuer, the fair value of the identified intangible assets net deferred tax amounting to RM8.03 million is to be amortised in FYE2024. The Group’s EBITDA for financial current quarter 30 June 2024 stood at RM5.67 million.

For the current quarter, construction segment recorded revenue of RM84.07 million and profit before tax of RM6.89 million. The gross profit for the quarter was mainly contributed by PTM projects namely Perkeso of RM4.93 million and Pulau Indah of RM3.17 million.

For property segment, Taman Arowana Phase 1, 106 units of single-story development project generated revenue of RM773,000 and a gross profit of RM107,000. Slightly higher revenue and profit was recorded for the quarter due to higher construction progress and improved sales for Phase 1A.

On the other hand, Investment holding segment namely Varia Bhd recorded a loss before tax of RM2.90 million largely due to higher financing cost incurred for the quarter.

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**Additional information required by Bursa Malaysia Listing Requirements (cont'd)****Year-to-date**

For the 15 months ended 30 June 2024, the Group recorded revenue of RM233.18 million and profit before tax (“PBT”) of RM1.23 million.

The revenue and profit was largely contributed from Pembinaan Teguh Maju Sdn Bhd (“PTM”), a total revenue of RM164.77 million and profit before tax of RM21.95 million. In addition, the profit also contributed by Mewah Kota Sdn Bhd with total revenue of RM66.88 million and profit before tax of RM3.51 million.

Despite the PBT of RM21.95 million recorded by PTM, the Group’s PBT drop significantly due to amortization of intangible assets of RM8.03 million in FY2024 and losses from holding company of RM9.69 million and Paramount Ventures of RM4.13 million.

For property segment, the Taman Arowana Phase 1, 106 units of single-story development project has generated revenue of RM1.40 million and a loss before tax of RM4.13 million in the financial year.

The investment holding segment recorded a loss before tax of RM9.69 million for the year due to higher finance costs of RM4.22 million and corporate exercises expenses of RM2.19 million.

**B2 Comparison of the quarterly results to the results of the immediate preceding quarter.**

	CURRENT QUARTER ENDED 30.06.2024 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 31.03.2024 RM'000	Change %
Revenue	84,865	65,780	29%
Gross profit	9,580	7,694	25%
EBITDA	5,673	3,789	50%
(Loss)/profit before tax	(7,161)	1,987	-460%
(Loss)/profit after tax	(4,159)	1,967	-311%

For the current financial quarter, the Group recorded revenue of RM84.87 million and loss before tax of RM7.16 million compared to the immediate preceding quarter revenue of RM65.78 million and profit before tax of RM1.99 million.

The revenue increased by 29% as compared to the immediate preceding quarter due to higher billings from the construction segment.

During the quarter, construction segment recorded higher revenue largely from the Perkeso project of RM41.08 million, Pulau Indah of RM26.42 million, Taiga RM6.21 million and Parit Markom of RM3.33 million.

EBITDA increased in line with the increase in revenue and with profit contributed from projects Perkeso of RM4.93 million, Pulau Indah of RM3.17 million and Taiga of RM807,000.

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

#### **B3 Prospects**

Varia Berhad continues to experience robust growth and strategic advancement, particularly through the newly acquired subsidiary, Pembinaan Teguh Maju Sdn. Bhd. ("PTM"). As of 27 August 2024, the Group's order book has reached RM2.24 billion, underscoring the Group's strong market position and the success of its strategic direction.

PTM's order book, now further strengthened by several recent project awarded and announced under infrastructure, educational development, and environmental initiatives. On 23 July 2024, PTM received a Letter of Award from Best Metro Builder Sdn. Bhd. for a major project in Penang, valued at RM555.0 million. This contract covers the design, construction, and completion of a comprehensive sewerage treatment plant, with a project timeline extending over 57 months, expected to conclude in March 2029. This initiative not only expands Varia's footprint in the infrastructure sector but also aligns with the Group's commitment to supporting Malaysia's environmental sustainability objectives.

In addition, PTM secured another significant project on 14 August 2024 from Kemuncak Pesaka Sdn Bhd for the development of educational infrastructure at Universiti Pendidikan Sultan Idris, Tanjung Malim, Perak. This RM61.5 million contract, set to be completed over 31 months, reinforces Varia's growing expertise in educational construction and further diversifies the Group's portfolio.

Moreover, Varia's recent win of the RM410.3 million "Rancangan Tebatan Banjir Sungai Muar" project in Johor on 27 August 2024 is a notable addition to its infrastructure projects. This contract, which aims to enhance flood mitigation in the region, will be executed over 60 months and is anticipated to positively impact the Group's financial performance throughout its duration.

Looking forward, Varia Berhad remains cautiously optimistic about its growth prospects in both the construction and property development sectors. The Group is well-positioned to secure additional high-value contracts and is committed to delivering strong results for its stakeholders. This outlook is supported by recent strategic achievements and the favourable conditions in Malaysia's construction and property markets.

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 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 Khoon 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.

Based on the unaudited results of PTM for the financial year ended 30 June 2024, a profit after tax of RM21.19 million was recorded from 1 July 2023 to 30 June 2024.

**B5 Profit Before Tax**

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

	Current Quarter 30-Jun-24 RM'000	Comparative Quarter 30-Jun-23 RM'000	Current YTD 30-Jun-24 RM'000	Preceding Year YTD 31-Mar-23 RM'000
Interest income	(48)	(33)	(250)	(112)
Interest expenses	1,929	263	5,156	1,904
Depreciation expenses	289	121	924	1,521
Depreciation - right of used of asset	42	84	450	768
Gain on disposal of assets	-	-	(317)	(4,800)
Gain on disposal of subsidiary	-	-	-	(874)
Fair value gain in investment property	(220)	-	(220)	(360)
Amortisation of intangible assets	10,573	-	10,573	-

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**Additional information required by Bursa Malaysia Listing Requirements (cont'd)****B6 Taxation**

	Current Quarter 30-Jun-24 RM'000	Comparative Quarter 30-Jun-23 RM'000	Current YTD 30-Jun-24 RM'000	Preceding Year YTD 31-Mar-23 RM'000
Prior year tax	7	39	(100)	33
Current year tax	(489)	-	2,528	201
Real property gain tax	-	-	554	447
Deferred tax	(2,520)	-	(2,520)	(111)
<b>Total</b>	<b>(3,002)</b>	<b>39</b>	<b>462</b>	<b>570</b>

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.

**B9 Borrowing**

The Group borrowings are as follows: -

	As at 30-Jun-24 RM'000	As at 31-Mar-23 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	3,992	5,454
- Revolving Credit	-	6,000
- Lease Liabilities	846	189
- Term Loans	17,311	-
	22,149	11,643
<u>Long Term Borrowings (Secured)</u>		
- Lease Liabilities	4,394	3,740
- Term Loans	86,906	-
	91,300	3,740
<b>Total Borrowings</b>	<b>113,449</b>	<b>15,383</b>

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

**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 RM764,000 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

29 August 2024