

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

**UNAUDITED RESULTS OF THE GROUP FOR FIRST QUARTER
ENDED 30 SEPTEMBER 2024 CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	Unaudited As at 30.09.2024 RM'000	Audited As at 30.06.2024 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	9,684	9,199
Inventories	15,224	11,308
Investment properties	11,550	11,550
Goodwill on consolidation	369,332	369,332
Intangible assets	64,269	64,269
	470,059	465,658
Current Assets		
Inventories	6,847	9,002
Contract costs	-	146
Contract assets	23,235	29,394
Trade receivables	99,733	115,348
Other receivables, deposits and prepayments	23,082	24,561
Current tax assets	1,795	895
Deposits placed with licensed banks	6,658	2,821
Cash and bank balances	25,632	2,876
	186,982	185,043
TOTAL ASSETS	657,041	650,701
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	394,387	381,713
Retained earnings	10,578	6,080
Total Equity	404,965	387,793
Non Current Liabilities		
Loans and borrowings	91,954	91,443
Deferred tax liabilities	15,777	15,777
Trade payables and other payables	-	-
	107,731	107,220
Current Liabilities		
Contract liabilities	12,974	43,210
Trade payables	85,056	75,109
Other payables, accruals and deposits	22,442	15,342
Loans and borrowings	22,691	22,027
Current tax liabilities	1,182	-
	144,345	155,688
Total Liabilities	252,076	262,908
TOTAL EQUITY AND LIABILITIES	657,041	650,701
Net assets per share attributable to owner of the parent	0.94	0.93

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

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**UNAUDITED RESULTS OF THE GROUP FOR FIRST QUARTER
ENDED 30 SEPTEMBER 2024 CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT PERIOD QUARTER <u>3-month</u> 30.09.2024 RM'000	PREVIOUS CORRESPONDING QUARTER <u>3-month</u> 30.09.2023 RM'000	CURRENT PERIOD TO-DATE <u>3-month</u> 30.09.2024 RM'000	PRECEDING YEAR TO-DATE <u>6-month</u> 30.09.2023 RM'000
Revenue	114,760	20,471	114,760	40,418
Cost of sales	(101,942)	(17,852)	(101,942)	(34,973)
Gross profit	12,818	2,619	12,818	5,445
Other operating income	119	308	119	507
Total income	12,937	2,927	12,937	5,952
Administrative operating costs	(4,426)	(1,556)	(4,426)	(4,128)
Profit from operation	8,511	1,371	8,511	1,824
Amortisation of intangible assets	-	-	-	-
Finance cost	(1,885)	(132)	(1,885)	(395)
Profit before taxation	6,626	1,239	6,626	1,429
Tax expense	(2,128)	(593)	(2,128)	(632)
Total comprehensive profit for the period	4,498	646	4,498	797
Earnings per share : --	sen	sen	sen	
- basic / diluted	1.04	0.96	1.04	1.19

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

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**UNAUDITED RESULTS OF THE GROUP FOR FIRST QUARTER
ENDED 30 SEPTEMBER 2024 CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**

	Share capital	Retained earnings	Total Equity
	RM'000	RM'000	RM'000
Group			
At 1 April 2023 (Audited)	31,713	5,315	37,028
Total comprehensive profit for the financial year	-	765	765
Issuance of ordinary shares, representing total transaction with owners	350,000	-	-
At 30 June 2024 (Audited)	381,713	6,080	387,793
Total comprehensive profit for the financial period	-	4,498	4,498
Issuance of ordinary shares, representing total transaction with owners	12,674	-	12,674
At 30 September 2024 (Unaudited)	394,387	10,578	404,965

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
PERIOD ENDED 30 SEPTEMBER 2024**

Note	CURRENT PERIOD ENDED 30.09.2024 RM'000	PRECEDING PERIOD ENDED 30.09.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,626	1,429
Adjustments for :		
Non-cash items	387	372
Non-operating items (which are investing/financing)	1,807	251
Operating profit before changes in working capital	8,820	2,052
Changes in working capital :		
Net changes in current assets	21,639	(16,750)
Net changes in current liabilities	(13,189)	14,100
Cash from/(used in) operations	17,270	(598)
Interest paid	(1,807)	(251)
Tax paid	(1,846)	(632)
Net cash from/(used in) operating activities	13,617	(1,481)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in)/from investing activities	(3,971)	5,306
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash from/(used in) financing activities	13,192	(3,254)
Net increase in cash and cash equivalents	22,838	571
Cash and cash equivalents at beginning of financial period	(1,116)	(1,469)
Cash and cash equivalents at end of the financial period (i)	21,722	(898)
Note (i) :		
Represented by :		
Cash and bank balances	25,632	3,405
Deposits placed with licensed banks	6,658	5,165
Less : Pledged deposits	(6,658)	(4,685)
	25,632	3,885
Less : Bank Overdraft	(3,910)	(4,783)
	21,722	(898)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

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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 interim financial statements of the Group and of the Company for the first quarter ended 30 September 2024 is unaudited and has 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 period ended 30 June 2024.

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 period ended 30 June 2024 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 April 2023 as disclosed below.

A3 Changes in Accounting policies

New MFRS

MFRS 17 Insurance Contracts

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 the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

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Notes to the Interim Financial Report (cont'd)

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.

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

(a) On 30 July 2024, the Company has issued 8,000,000 new ordinary shares at an issue price of RM0.7621 per share for cash pursuant to the Company's private placement.

(b) On 27 August 2024, the Company has issued 7,500,000 new ordinary shares at an issue price of RM0.8770 per share for cash pursuant to the Company's private placement.

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

	Number of shares	Amount (RM)
Issued share capital		
As at 30 June 2024	417,000,000	381,712,508
Issuance of new ordinary shares	15,500,000	12,674,300
As at 30 September 2024	432,500,000	394,386,808

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

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)**A9 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	Infrastructure RM'000	Elimination RM'000	Group RM'000
3 months ended 30 September 2024								
Revenue								
External sales	-	2,477	112,258	25	-	-	-	114,760
Inter-segment sales	-	-	-	-	-	-	-	-
	-	2,477	112,258	25	-	-	-	114,760
Results								
Segment result	(1,240)	(472)	10,204	18	10	(3)	(6)	8,511
Finance costs	(1,700)	(148)	(43)	-	-	-	6	(1,885)
Profit/(loss) before tax	(2,940)	(620)	10,161	18	10	(3)	(0)	6,626
Tax expense	-	-	(2,119)	(6)	(3)	-	-	(2,128)
Profit/(loss) after tax	(2,940)	(620)	8,042	12	7	(3)	(0)	4,498

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Notes to the Interim Financial Report (cont'd)**A9 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	Elimination RM'000	Group RM'000
6 months ended 30 September 2023							
Revenue							
External sales	-	-	40,359	59	-	-	40,418
Inter-segment sales	-	-	-	-	-	-	-
	-	-	40,359	59	-	-	40,418
Results							
Segment result	(1,084)	(1,431)	4,305	33	11	(12)	1,822
Finance costs	(4)	(362)	(45)	-	-	17	(394)
Profit/(loss) before tax	(1,088)	(1,793)	4,260	33	11	5	1,428
Tax expense	-	(598)	(13)	(14)	(7)	-	(632)
Profit/(loss) after tax	(1,088)	(2,391)	4,247	19	4	5	797

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Notes to the Interim Financial Report (cont'd)**A10 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 professional qualifications and recent experience in the location and category of property being valued.

A11 Material subsequent events

On 17 October 2024, the Company announced that Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia has accepted a Letter of Award from Pertubuhan Keselamatan Sosial (Perkeso) for a project known as "Pembinaan Pusat Rehabilitasi Perkeso Wilayah Timur di atas PT7156 (HSD 1607), Mukim Merang, Daerah Setiu, Terengganu Darul Iman untuk Perkeso" ("Contract").

The total sum of the Contract is RM571,800,000.00 with a contract period of 30 months, from the date of site possession on 29 October 2024 until the date of completion on 28 April 2027.

A12 Changes in composition of the Group

On 22 July 2024, three new companies, namely WCEX Holdings Sdn Bhd, WCEX Maju Sdn Bhd and WCEX Expressway Sdn Bhd were incorporated, which are wholly-owned subsidiaries of the Company.

Other than the above, there were no changes in the composition of the Group for the current quarter under review.

A13 Contingent liabilities or contingent assets

The Company has given corporate guarantees amounting to RM196.24 million (30/06/2024: RM98.24 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 RM55.11 million (30/06/2024: RM22.43 million).

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

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD	CUMULATIVE PERIOD
	CURRENT YEAR QUARTER	PREVIOUS YEAR CORRESPONDING QUARTER	Change %	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	<u>3-month</u> 30.09.2024 RM'000	<u>3-month</u> 30.09.2023 RM'000		<u>3-month</u> 30.09.2024 RM'000	<u>6-month</u> 30.09.2023 RM'000
Revenue	114,760	20,471	461%	114,760	40,418
Gross profit	12,818	2,619	389%	12,818	5,445
EBITDA	8,899	1,603	455%	8,899	8,899
Profit before tax	6,626	1,239	435%	6,626	1,429
Profit after tax	4,498	646	596%	4,498	797

Quarterly

For the current financial quarter, the Group recorded revenue of RM114.76 million and profit before tax of RM6.63 million compared to preceding year corresponding quarter revenue of RM20.47 million and profit before tax of RM1.24 million. The revenue and profit before tax increased by 461% and 435% respectively compared to the preceding corresponding quarter. This significant improvement in performance is contributed by construction segment largely from Pembinaan Teguh Maju Sdn Bhd (“PTM”).

For the current quarter, construction segment recorded revenue of RM112.26 million and profit before tax of RM10.16 million. The gross profit for the quarter was mainly contributed by projects namely Perkeso of RM7.66 million, Pulau Indah of RM3.54 million and Langat 2 of RM1.89 million.

The property segment recorded a loss before tax of RM620,000 for an ongoing development project, Taman Arowana Phase 1, 106 single-storey units.

Investment holdings segment recorded a loss before tax of RM2.94 million mainly due to higher financing costs and corporate exercise expensed.

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

	CURRENT QUARTER ENDED 30.09.2024 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.06.2024 RM'000	Change %
Revenue	114,760	84,228	36%
Gross profit	12,818	9,580	34%
EBITDA	8,899	5,383	65%
Profit/(loss) before tax	6,626	(7,161)	193%
Profit/(loss) after tax	4,498	(4,159)	208%

For the current financial quarter, the Group recorded revenue of RM114.76 million and profit before tax of RM6.63 million compared to the immediate preceding quarter revenue of RM84.23 million and loss before tax of RM7.16 million.

The revenue increased by 36% as compared to the immediate preceding quarter due to higher billings from the construction segment largely from the Perkeso of RM63.85 million, Pulau Indah of RM29.51 million, Taiga of RM6.75 million and Parit Markom of RM4.55 million.

Profit before tax improved by 193% in line with the increase in revenue contributed by Perkeso project of RM7.66 million, Pulau Indah of RM3.54 million and Langat 2 of RM1.89 million.

B3 Prospects

As of 30th September 2024, Varia Berhad outstanding order book value under construction segment is approximately RM3.03 billion with various projects secured from infrastructure, educational development, and environmental initiatives. The Group is actively tendering for different types of building and infrastructure construction projects from our existing portfolio and from new customers in order to continuously replenish our order book value.

On 17 October 2024, Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia, was awarded a Letter of Award from Pertubuhan Keselamatan Sosial (Perkeso) for a project known as “Pembinaan Pusat Rehabilitasi Perkeso Wilayah Timur di atas PT7156 (HSD 1607), Mukim Merang, Daerah Setiu, Terengganu Darul Iman untuk Perkeso” (“Contract”). The total sum of the Contract is RM571,800,000.00 with a contract period of 30 months, from the date of site possession on 29 October 2024 until the date of completion on 28 April 2027.

The ability of the Group to undertake different types of building and infrastructure construction projects demonstrates the versatile and resilience of the Group. The Group also aims to expand scope of construction and engineering services and explore opportunity to tender for more difference types of construction projects in the future.

Looking forward, Varia Berhad remains cautiously optimistic about its growth prospects in both the construction and property development sectors. We are well-positioned to secure additional high-value contracts and we are committed to delivering favourable financial results for our shareholders. This outlook is well supported by recent strategic achievements from our unbilled outstanding order book value of RM3 billion, this will give a better revenue recognition and earnings visibility for all our shareholders in the future.

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

The Group does not issue any profit forecast during the current financial quarter under review.

B5 Profit Before Tax

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

	Current Quarter 30-Sep-24 <u>3-month</u> RM'000	Comparative Quarter 30-Sep-23 <u>3-month</u> RM'000	Current YTD 30-Sep-24 <u>3-month</u> RM'000	Preceding YTD 30-Sep-23 <u>6-month</u> RM'000
Interest income	(82)	(32)	(76)	(65)
Interest expenses	1,885	132	1,885	395
Depreciation expenses	294	115	294	236
Depreciation - right of used of asset	94	84	94	168
Gain on disposal of assets	-	(199)	-	(283)

B6 Taxation

	Current Quarter 30-Sep-24 <u>3-month</u> RM'000	Comparative Quarter 30-Sep-23 <u>3-month</u> RM'000	Current YTD 30-Sep-24 <u>3-month</u> RM'000	Preceding YTD 30-Sep-23 <u>6-month</u> RM'000
- Current year tax	2,128	593	2,128	632

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 30-Sep-24 RM'000	As at 30-Jun-24 RM'000
<u>Short Term Borrowings (Secured)</u>		
- Bank Overdrafts	3,910	3,992
- Hire purchase	574	455
- Lease Liabilities	141	272
- Term Loans	18,066	17,308
	22,691	22,027
<u>Long Term Borrowings (Secured)</u>		
- Hire purchase	1,575	1,061
- Lease Liabilities	3,536	3,474
- Term Loans	86,843	86,908
	91,954	91,442
Total Borrowings	114,645	113,470

B10 Material litigation

There is no material litigation for the financial period as at 30 September 2024.

B11 Dividend

No dividends were proposed or declared for the current quarter and financial period to date (2024: 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 RM4.50 million and on the number of ordinary shares issue of 432,500,000.

By Order of the Board
Chin Foong Ping
MAICSA 7044276
Company Secretary
Shah Alam
27 November 2024