



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
(Company No. 636939-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2011

| | 2ND QUARTER ENDED | | SIX MONTHS ENDED | |
|--|-------------------|--------------|------------------|---------------|
| | 30-Jun-11 | 30-Jun-10 | 30-Jun-11 | 30-Jun-10 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 61,684 | 48,527 | 114,505 | 87,891 |
| Operating profit | 9,966 | 9,755 | 17,275 | 17,167 |
| Interest expense | (358) | (276) | (718) | (530) |
| Interest income | 97 | 128 | 195 | 159 |
| Profit before tax | <u>9,705</u> | <u>9,607</u> | <u>16,752</u> | <u>16,796</u> |
| Income tax expense | (2,330) | (2,165) | (4,055) | (4,107) |
| Net profit for the period | <u>7,375</u> | <u>7,442</u> | <u>12,697</u> | <u>12,689</u> |
| Other comprehensive income | | | | |
| Currency translation differences for foreign operations | 9 | 150 | (165) | (408) |
| Total comprehensive income for the period | <u>7,384</u> | <u>7,592</u> | <u>12,532</u> | <u>12,281</u> |
| Net profit attributable to: | | | | |
| Owners of the parent | 6,751 | 6,868 | 11,997 | 12,066 |
| Non-controlling interest | 624 | 574 | 700 | 623 |
| | <u>7,375</u> | <u>7,442</u> | <u>12,697</u> | <u>12,689</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 6,760 | 7,018 | 11,832 | 11,658 |
| Non-controlling interest | 624 | 574 | 700 | 623 |
| | <u>7,384</u> | <u>7,592</u> | <u>12,532</u> | <u>12,281</u> |
| Earnings per share (in sen) for net profit attributable to owners of the parents : | | | | |
| Basic earnings per share | 5.98 | 5.79 | 10.63 | 10.17 |

The Condensed Interim Financial Statements should be read in conjunction with STC's audited consolidated financial statements for the financial year ended 31 December 2010 with the accompanying explanatory notes attached to the financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
(Company No. 636939-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

| | 30-Jun-11 | Audited |
|---|------------------|------------------|
| | RM'000 | 31-Dec-10 |
| | | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 77,830 | 73,317 |
| Investment properties | 6,188 | 847 |
| Investment in jointly controlled entity | - | 1 |
| Other investment | - | - |
| Goodwill on consolidation | 7,616 | 7,616 |
| Deferred tax assets | 568 | 443 |
| | 92,202 | 82,224 |
| Current assets | | |
| Inventories | 60,859 | 50,458 |
| Trade and other receivables | 81,915 | 80,749 |
| Amount due from contract customer | 2,111 | 2,664 |
| Derivative financial asset | - | - |
| Cash and bank balances | 25,698 | 27,842 |
| | 170,583 | 161,713 |
| TOTAL ASSETS | 262,785 | 243,937 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 60,000 | 60,000 |
| Treasury shares | (5,537) | (8,630) |
| Reserve | 100,262 | 92,897 |
| Equity attributable to owners of the parent | 154,725 | 144,267 |
| Non-controlling interests | 25,893 | 25,069 |
| Total equity | 180,618 | 169,336 |
| Non-current liabilities | | |
| Long term borrowings | 9,366 | 10,397 |
| Deferred tax liabilities | 5,781 | 5,597 |
| | 15,147 | 15,994 |
| Current liabilities | | |
| Trade and other payables | 43,882 | 40,378 |
| Short term borrowings | 19,791 | 16,015 |
| Derivative financial liabilities | 22 | - |
| Current tax payable | 3,325 | 2,214 |
| | 67,020 | 58,607 |
| TOTAL LIABILITIES | 82,167 | 74,601 |
| TOTAL EQUITY AND LIABILITIES | 262,785 | 243,937 |
| Net Assets per share attributable to owners of the parent holders of the parent (RM)* | 1.37 | 1.25 |

* Non-controlling interests are excluded from the computation of the net assets per STC Share.

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SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
(Company No. 636939-W)

SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 2ND QUARTER ENDED 30 JUNE 2011

| | 30-Jun-11 RM'000 | 30-Jun-10 RM'000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Profit before tax | 16,752 | 16,796 |
| Adjustments for: | | |
| Non-cash items | 2,360 | 798 |
| Non-operating items | 524 | 188 |
| Operating profit before changes in working capital | <u>19,636</u> | <u>17,782</u> |
| Changes in working capital: | | |
| Inventories | (10,401) | (18,007) |
| Trade and other receivables | (577) | 6,535 |
| Trade and other payables | 3,526 | 356 |
| Cash generated from operating activities | <u>12,184</u> | <u>6,666</u> |
| Tax paid | (2,887) | (3,412) |
| Interest paid / (received) | (524) | (188) |
| Net cash from / (used) in operating activities | <u>8,773</u> | <u>3,066</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment (PPE) | (12,405) | (2,434) |
| Proceeds from disposal of PPE | 146 | 173 |
| Proceeds from disposal of quoted shares | - | 4 |
| Net proceeds from disposal of shares in subsidiary | - | 6,732 |
| Net cash from / (used) in investing activities | <u>(12,259)</u> | <u>4,475</u> |
| Cash flows from financing activities | | |
| Net movement in fixed deposit pledged | (14) | (12) |
| Repayment of bank borrowings and hire purchase payables | (705) | (1,360) |
| Net movement in trade bills | 3,282 | 118 |
| Drawdown from bank borrowings | - | 697 |
| Purchase of treasury shares | (249) | (7,468) |
| Payment of share issue expenses | - | (1,877) |
| Proceeds from issuance of new shares from its subsidiary company shareholder | - | 16,939 |
| Dividend Paid | (1,125) | (4,153) |
| Net cash from / (used) in financing activities | <u>1,189</u> | <u>2,884</u> |
| Net increase / (decrease) in cash and cash equivalents | (2,297) | 10,425 |
| Effects of exchange rate changes | (31) | 179 |
| Cash and cash equivalents at beginning of financial period | 25,987 | 17,217 |
| Cash and cash equivalents at end of financial period | <u><u>23,659</u></u> | <u><u>27,821</u></u> |
| Cash and cash equivalents at end of period comprise: | | |
| Cash & bank balances | 22,761 | 27,524 |
| Deposits with licensed banks | 2,937 | 2,379 |
| | <u>25,698</u> | <u>29,903</u> |
| Less: Bank Overdraft | (358) | (432) |
| | <u>25,340</u> | <u>29,471</u> |
| Less : Non-cash & cash equivalent -Fixed deposit pledge for banking facilities | (1,681) | (1,650) |
| | <u><u>23,659</u></u> | <u><u>27,821</u></u> |

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SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
(Company No. 636939-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2011

| | Attributable to Owners of the Parent | | | | | | - | | Total Equity RM'000 |
|--|--------------------------------------|----------------------------|------------------------------|-------------------|---|------------------------------|-----------------|--|---------------------------|
| | Share Capital RM'000 | Non-distributable | | | Distributable | | Total RM'000 | Non Controlling Interest RM'000 | |
| | | Share Premium RM'000 | Treasury shares RM'000 | Reserve RM'000 | Foreign currency translation reserve RM'000 | Retained Profit RM'000 | | | |
| At 1 January 2010 | 60,000 | 978 | (110) | 291 | 172 | 72,149 | 133,480 | 4,425 | 137,905 |
| Net profit for the period | - | - | - | - | - | 12,066 | 12,066 | 623 | 12,689 |
| Other comprehensive income | - | - | - | - | (408) | - | (408) | 89 | (319) |
| Total comprehensive income | - | - | - | - | (408) | 12,066 | 11,658 | 712 | 12,370 |
| Share buy back | - | - | (7,468) | - | - | - | (7,468) | - | (7,468) |
| Dividend | - | - | - | - | - | (4,153) | (4,153) | - | (4,153) |
| Reserve | - | - | - | - | - | - | - | - | - |
| Arising from incorporation of subsidiary company | - | - | - | - | - | - | - | 2,338 | 2,338 |
| Issuance of share capital in subsidiary | - | 6,975 | - | - | - | - | 6,975 | 11,923 | 18,898 |
| Listing expenses of subsidiary | - | (1,877) | - | - | - | - | (1,877) | - | (1,877) |
| At 30 June 2010 | 60,000 | 6,076 | (7,578) | 291 | (236) | 80,062 | 138,615 | 19,398 | 158,013 |
| At 1 January 2011 | 60,000 | 978 | (8,630) | 291 | (371) | 91,999 | 144,267 | 25,069 | 169,336 |
| Net profit for the period | - | - | - | - | - | 11,997 | 11,997 | 700 | 12,697 |
| Other comprehensive income | - | - | - | - | (165) | - | (165) | - | (165) |
| Total comprehensive income | - | - | - | - | (165) | 11,997 | 11,832 | 700 | 12,532 |
| Share buy back / Disposal of treasury shares | - | - | (249) | - | - | - | (249) | - | (249) |
| Dividend | - | - | 3,342 | - | - | (4,467) | (1,125) | (280) | (1,405) |
| Arising from revaluation of landed properties | - | - | - | - | - | - | - | - | - |
| Arising from acquisition of subsidiary company | - | - | - | - | - | - | - | 404 | 404 |
| At 30 June 2011 | 60,000 | 978 | (5,537) | 291 | (536) | 99,529 | 154,725 | 25,893 | 180,618 |

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