



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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Current Quarter 31-Mar-16	Comparative Quarter 31-Mar-15	Cummulative 15 Months 31-Mar-16	31-Mar-15
	RM'000	RM'000	RM'000	RM'000
Revenue	96,333	101,838	492,850	N/A
Operating profit	12,803	2,494	55,584	N/A
Interest expense	(1,231)	(934)	(6,180)	N/A
Interest income	55	44	319	N/A
Share of profit/(loss) of associate companies	(3)	(29)	(388)	N/A
Profit before tax	11,624	1,575	49,335	N/A
Income tax expense	(2,604)	(1,138)	(17,745)	N/A
Net profit for the period	9,020	437	31,590	N/A
Other comprehensive income				
Currency translation differences for foreign operations	950	2,189	2,914	N/A
Total comprehensive income for the period	9,970	2,626	34,504	N/A
Net profit attributable to:				
Owners of the parent	8,079	2,832	35,156	N/A
Non-controlling interest	941	(2,395)	(3,566)	N/A
	9,020	437	31,590	N/A
Total comprehensive income attributable to:				
Owners of the parent	8,951	5,745	38,479	N/A
Non-controlling interest	1,019	(3,119)	(3,975)	N/A
	9,970	2,626	34,504	N/A
Earnings per share (in sen) for net profit attributable to owners of the parents :				
Basic earnings per share	6.98	2.43	30.36	N/A

In view of the change in the current financial year end from 31 December 2015 to 30 June 2016 to improve the overall operational and administrative efficiency having considered the size and diversity of the Group's operations, both local and abroad, there were no comparative financial information available for the 15-month financial period ended 31 March 2016.

The Condensed Interim Financial Statements should be read in conjunction with STC's Audited Consolidated Financial Statements for the financial year ended 31 December 2014 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 31 MARCH 2016

	31-Mar-16 RM'000
Assets	
Non-current Assets	
Property, plant and equipment	142,553
Investment properties	18,939
Investment in associate company	8
Other receivables	615
Goodwill on consolidation	7,616
Deferred Tax Assets	558
	170,289
Current Assets	
Inventories	117,461
Trade and other receivables	127,175
Amount due from contract customer	7,145
Total Prepayment and Other Assets	1,222
Asset held for sale	8,673
Tax Recoverable	3,704
Cash and bank Balances	33,240
	298,620
TOTAL Assets	468,909
EQUITY AND Liabilities	
Equity	
Share capital	60,000
Treasury Shares	(5,750)
Reserve	216,040
Equity attributable to owners of the parent	270,290
Non-Controlling Interests	33,762
Total equity	304,052
Non-current Liabilities	
Long term Borrowings	25,725
Deferred Tax Liabilities	3,159
	28,884
Current Liabilities	
Trade and other payables	54,874
Short term Borrowings	74,310
Current tax payable	6,789
	135,973
TOTAL Liabilities	164,857
TOTAL EQUITY AND Liabilities	468,909
Net Assets per share attributable to owners of the parent holders of the parent (RM)*	2.33

* 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)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	31-Mar-16 RM'000
Cash flows from operating activities	
Profit before tax	49,335
Adjustments for:	
Non-cash items	23,668
Non-operating items	5,860
Operating profit before changes in working capital	<u>78,863</u>
Changes in working capital:	
Inventories	(2,693)
Trade and other receivables	(4,875)
Trade and other payables	(30,039)
Cash generated from operating activities	<u>41,256</u>
Tax paid	(13,554)
Interest paid	(5,860)
Net cash from in operating activities	<u><u>21,842</u></u>
Cash flows from investing activities	
Purchase of property, plant and equipment ("PPE")	(16,268)
Proceeds from disposal of PPE	1,375
Purchase of investment property	(6,175)
Increase of investment in subsidiary	(212)
Net cash used in investing activities	<u><u>(21,280)</u></u>
Cash flows from financing activities	
Net movement in fixed deposit pledged	(37)
Repayment of bank borrowings and hire purchase payables	(31,305)
Net movement in trade bills	(10,377)
Drawdown from bank borrowings	35,935
Purchase of treasury shares	(1,645)
Dividend paid	(4,966)
Net cash used in financing activities	<u><u>(12,395)</u></u>
Net decrease in cash and cash equivalents	(11,833)
Effects of exchange rate changes	934
Cash and cash equivalents at beginning of Financial period	41,213
Cash and cash equivalents at end of Financial period	<u><u>30,314</u></u>
Cash and cash equivalents at end of period comprise:	
Cash & bank Balances	32,025
Deposits with licensed banks	1,215
	<u>33,240</u>
Less: Bank Overdraft	(1,716)
	<u>31,524</u>
Less : Non-cash & cash equivalent	
-Fixed deposit pledge for banking facilities	(1,210)
	<u><u>30,314</u></u>

In view of the change in the current financial year end from 31 December 2015 to 30 June 2016 to improve the overall operational and administrative efficiency having considered the size and diversity of the Group's operations, both local and abroad, there were no comparative financial information available for the 15-month financial period ended 31 March 2016.

The Condensed Interim Financial Statements should be read in conjunction with STC's Audited Consolidated Financial Statements for the financial year ended 31 December 2014 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Attributable to Owners of the Parent						Total	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Non-distributable			Distributable			
			Treasury shares	Foreign currency translation reserve	Capital Reserve	Retained Profit			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2015	60,000	1,268	(4,293)	2,433	3,544	177,855	240,807	37,370	278,177
Net profit for the period	-	-	-	-	-	35,156	35,156	(3,566)	31,590
Other comprehensive income	-	-	-	649	-	-	649	477	1,126
Total comprehensive income	-	-	-	649	-	35,156	35,805	(3,089)	32,716
Share buy back	-	-	(1,457)	-	-	-	(1,457)	-	(1,457)
Dividend	-	-	-	-	-	(4,652)	(4,652)	(314)	(4,966)
Bonus issue of subsidiary	-	-	-	-	4,246	(4,246)	-	-	-
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(213)	(213)	(205)	(418)
At 31 March 2016	60,000	1,268	(5,750)	3,082	7,790	203,900	270,290	33,762	304,052

In view of the change in the current financial year end from 31 December 2015 to 30 June 2016 to improve the overall operational and administrative efficiency having considered the size and diversity of the Group's operations, both local and abroad, there were no comparative financial information available for the 15-month financial period ended 31 March 2016.

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Notes on the quarterly report – 31 March 2016

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)

A1. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2016, have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2014. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

A2. Changes in Accounting Policies

The significant accounting policies and the methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended (“FYE”) 31 December 2014.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on or after 1 January 2015 did not have significant impact on the unaudited condensed consolidated financial statements upon their initial application.

MFRSs, Amendments to MFRSs and IC Interpretation

MFRS 10	Consolidated Financial Statement : Investment Entities
MFRS 12	Disclosure of Interest in Other Entities : Investment Entities
MFRS 127	Consolidated and Separate Financial Statements : Investments Entities (as amended by IASB in May 2011)
Amendments to MFRS132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS139	Recoverable Amount Disclosure for Non-financial Asset
IC Interpretation 21	Novation of Derivatives and Continuation of Hedge Accounting Levies
Amendments to MFRS 10 and MFRS 128 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011)	Investment Entities – Applying the Consolidation Exception
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture – Bearer Plants
Amendments to MFRS 127 (2011)	Equity Method in Separate Financial Statements
	Annual Improvements to MFRSs 2012 – 2014 Cycle

The Group did not early adopt the following standards that have been issued by MASB as these are not yet effective for the current financial period: -



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Notes on the quarterly report – 31 March 2016

MFRSs, Amendments to MFRSs and IC Interpretation	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128(2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The above mentioned accounting standards and interpretations (including the consequential amendments) do not have any financial impact on the Group’s financial statements upon their initial application.

A3. Qualification of Annual Financial Statements

The latest audited consolidated financial statements of STC for the FYE 31 December 2014 was not subject to any qualification.

A4. Seasonal and Cyclical Factors

The Group’s business operation results were not materially affected by any major seasonal or cyclical factors during the financial period ended (“FPE”) 31 March 2016. However, the process equipment’s business operation result is very much dependent on the timing of completion of each project.

A5. Unusual Nature and Amounts of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the FPE 31 March 2016.

A6. Changes in Accounting Estimates

There were no changes in accounting estimates that have a material effect in the current quarter results.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

A7. Debt and Equity Securities

Saved as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review:

(a) Share Buy-Back

During the FPE 31 March 2016, the Company repurchased 1,002,600 of its issued share capital from the open market at an average cost of RM1.45 per ordinary share of RM0.50 in STC (“STC Share(s)”). The total consideration paid for the share buy-back of STC Shares during the fifteen months ended 31 March 2016, including transaction costs was RM1,457,583.93 and was financed by internally generated funds. The STC Shares repurchased are being held as treasury shares in accordance with Section 67A Subsection 3(A) (b) of the Companies Act, 1965.

As at 31 March 2016, the number of treasury shares held was 4,639,377 STC Shares at an average cost of RM1.24 per STC Share.

A8. Dividend Paid

The dividend paid during the cumulative financial period-to-date is as follows:

	Company			
	2016		2015	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the financial period ending 30 June 2016 Interim single tier dividend will be paid on 15 June 2016	4.00	4,651,409		
In respect of the financial year ended 31 December 2015 (prior to the announcement of the change in financial year end) Interim single tier dividend, paid on 15 June 2015	-	-	4.00	4,614,425



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

A9. Segment Information

Business Segments Revenue & Results

	Transformer, Industrial lighting & related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
Three Months Ended 31 Mar 2016				
REVENUE				
External Sales	75,754	20,579	-	96,333
Inter-segment sales	1	-	(1)	-
Total Revenue	75,755	20,579	(1)	96,333
RESULTS				
Segment results				12,532
Share of loss in associate companies				(3)
Unallocated corporate expenses				(199)
Finance cost				(761)
Interest income				55
Profit before taxation				11,624
Taxation				(2,604)
Net profit for the period				9,020
Other comprehensive income				950
Total comprehensive income for the period				9,970
Fifteen Months Ended 31 Mar 2016				
REVENUE				
External Sales	357,912	134,938	-	492,850
Inter-segment sales	73	-	(73)	-
Total Revenue	357,985	134,938	(73)	492,850
RESULTS				
Segment results				56,365
Share of loss in associate companies				(388)
Unallocated corporate expenses				(781)
Finance cost				(6,180)
Interest income				319
Profit before taxation				49,335
Taxation				(17,745)
Net profit for the period				31,590
Other comprehensive income				2,914
Total comprehensive income for the period				34,504



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Notes on the quarterly report – 31 March 2016

	Transformer, Industrial lighting & related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
Three Months Ended 31 Mar 2015				
REVENUE				
External Sales	65,590	36,248	-	101,838
Inter-segment sales	70	-	(70)	-
Total Revenue	<u>65,660</u>	<u>36,248</u>	<u>(70)</u>	<u>101,838</u>
RESULTS				
Segment results				2,592
Share of loss in associate companies				(29)
Unallocated corporate expenses				(98)
Finance cost				(934)
Interest income				44
Profit before taxation				<u>1,575</u>
Taxation				(1,138)
Net profit for the period				<u>437</u>
Other comprehensive income				2,189
Total comprehensive income for the period				<u>2,626</u>



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Notes on the quarterly report – 31 March 2016

A9. Segment Information - (Cont’d)

Geographical Segments Revenue & Results

Three Months Ended 31 Mar 2016	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	65,511	30,822	-	96,333
Inter-segment sales	3,736	5,331	(9,067)	-
Total Revenue	<u>69,247</u>	<u>36,153</u>	<u>(9,067)</u>	<u>96,333</u>
RESULTS				
Segment results				12,532
Share of loss from associate companies				(3)
Unallocated corporate expenses				(199)
Finance cost				(761)
Interest income				55
Profit before taxation				<u>11,624</u>
Taxation				(2,604)
Net profit for the period				<u>9,020</u>
Other comprehensive income				950
Total comprehensive income for the period				<u>9,970</u>
Fifteen Months Ended 31 Mar 2016				
REVENUE				
External Sales	366,960	125,890	-	492,850
Inter-segment sales	23,619	40,117	(63,736)	-
Total Revenue	<u>390,579</u>	<u>166,007</u>	<u>(63,736)</u>	<u>492,850</u>
RESULTS				
Segment results				56,365
Share of loss from associate companies				(388)
Unallocated corporate expenses				(781)
Finance cost				(6,180)
Interest income				319
Profit before taxation				<u>49,335</u>
Taxation				(17,745)
Net profit for the period				<u>31,590</u>
Other comprehensive income				2,914
Total comprehensive income for the period				<u>34,504</u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

Three Months Ended 31 Mar 2015	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	82,440	19,398	-	101,838
Inter-segment sales	5,013	4,530	(9,543)	-
Total Revenue	<u>87,453</u>	<u>23,928</u>	<u>(9,543)</u>	<u>101,838</u>
RESULTS				
Segment results				2,592
Share of loss from associate companies				(29)
Unallocated corporate expenses				(98)
Finance cost				(934)
Interest income				44
Profit before taxation				<u>1,575</u>
Taxation				<u>(1,138)</u>
Net profit for the period				437
Other comprehensive income				<u>2,189</u>
Total comprehensive income for the period				<u>2,626</u>



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

A10. Valuation of Property, Plant & Equipment

There were no revaluations of property plant and equipment. All property, plant and equipment were stated at cost less accumulated depreciation.

A11. Capital Commitments

There were no capital commitment approved and contracted for during the current period ended 31st March 2016.

A12. Material Events Subsequent to The End of The Interim Period

There was no material event subsequent to the end of the current quarter under review, save as disclosed below.

The Company’s 65% owned subsidiary, Seremban Engineering Berhad (“SEB”) had on 22 July 2015, announced that it had entered into a conditional Share Sale Agreement with Grand River Marketing Sdn Bhd (1140512-P) (“Purchaser”) for, inter alia, the proposed disposal of the entire 40% equity interest held by SEB in Selektta Spektra Sdn Bhd (942891-H) (“SELEKTA”) comprising 2,370,000 ordinary shares of RM1.00 each (“Sale Shares”) to the Purchaser at approximately RM4.22 per Sale Share for a cash consideration of RM10,000,000 (Ringgit Malaysia Ten Million) upon the terms and subject to the conditions as stipulated in the Agreement (“Proposed Disposal”).

The Proposed Disposal was completed on 29 April 2016.

A13. Changes in the composition of the Group

There was no changes in the composition of the Group during the current quarter under review.

A14. Changes in contingent liabilities and contingent assets

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A15. Change of Financial Year End

The Group had changed the financial year end from 31 December to 30 June.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES**

B1. Review of performance

The Group recorded a revenue of RM96.33 million for the current quarter ended 31 March 2016 as compared to RM101.84 million in the previous year corresponding quarter, showing a decrease of 5.4% or RM5.51 million due to decrease in sales from process equipment segment despite increase in sales from transformer and lighting segment.

Net profit attributable to owners of the parent (profit after tax and non-controlling interest (“PATNCI”) of RM8.08 million for the current quarter ended 31 March 2016 representing an increase of 185.5% or RM5.25 million as compared to previous year’s corresponding quarter ended 31 March 2015 of RM2.83 million due to profit generated from transformer and lighting segment and a reduction of losses from the process equipment segment.

The Group recorded a revenue of RM492.85 million and PATNCI of RM35.16 million for the fifteen months period ended 31 March 2016. The results were mainly due to contribution from transformer and lighting segment despite loss making from process equipment segment.

Pursuant to the change of financial year end from 31 December 2015 to 30 June 2016, no comparative figures are presented.

B2. Variation of results against preceding quarter

The Group recorded a profit before tax (“PBT”) of RM11.62 million for the current quarter ended 31 March 2016, representing a decrease of 16.7% or RM2.33 million as compared to the preceding quarter ended 31 December 2015 profit before tax of RM13.95 million mainly due to reduced in profit margin from transformer and lighting segment.

B3. Prospects

The Group expects stiff competition in the domestic and regional market in respect of the transformer and industrial lighting segment. Nevertheless, the Group is leveraging on its strong track record, extensive customer networking and wider range of products in expanding and penetrating both existing and new markets. The Group also steps up its effort to enhance its competitiveness and productivity in its operations.

In the process equipment segment, the market outlook remains challenging. Nevertheless, the Group still remain focus on its core business in fabrication of pressure vessels and processed equipment for oil and fats industries, chemical, downstream petrochemical, water treatment and power plants.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory financial performance in 2016 based on the Group’s strong track record, extensive customer network and wide range of products.



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Notes on the quarterly report – 31 March 2016

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense

	3 Months Ended		15 Months Ended	
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
	RM'000	RM'000	RM'000	RM'000
Income tax	3,884	2,944	17,855	N/A
Deferred tax	(1,280)	(1,806)	(110)	N/A
Total	2,604	1,138	17,745	N/A

The effective tax rate for the current quarter is slightly lower than the statutory tax rate; whilst for the cumulative quarter it was higher than the statutory tax rate and is mainly due to loss incurred in a major subsidiary which is not entitle for group relief.

B6. Status of Corporate Proposals

There was no corporate proposal announced but not completed in the interval from the date of the last report and the date of this announcement.

B7. Group Borrowings

The Group’s borrowings as at 31 March 2016 were as follows:

<u>Secured</u>	Payable within	Payable after 12
	12 months	Months
	RM'000	RM'000
Bank Borrowings	71,389	23,693
Hire Purchase Payables	1,205	2,032
Bank Overdraft	1,716	-
Total Borrowings	74,310	25,725

Details of the borrowings denominated in each currency are as follows.

	Amount
	RM'000
Malaysian Ringgit	92,571
United States Dollar	3,075
Singaporean Dollar	4,312
Indonesian Rupiah	77
Total Borrowings	100,035



Notes on the quarterly report – 31 March 2016

B8. Changes in material litigation

The Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Group, save as disclosed below.

STC’s 65% owned subsidiary, Seremban Engineering Berhad (SEB) was served with a notice pursuant to Section 218 of the Companies Act 1965 (“218 Notice”) by a vendor to demand repayment of a purported debt. In response, SEB had filed an Originating Summons (“OS”) together with a Notice of Application seeking an injunction to restrain the said vendor from taking any further action in relation to the 218 Notice. An interlocutory injunction pursuant to the said Notice of Application was granted on 23 December 2015, pending final disposal of the OS.

On 3 February 2016, a decision in respect of the OS was delivered by the Kuala Lumpur High Court (“KLHC”) which found in the Group’s favour. The learned Judge found that the Group had shown that the purported debt was a bona fide disputed debt and satisfied the Court’s threshold for granting the declarations sought by the Group. In essence, the vendor is now prevented from presenting a winding-up petition against the Group for the purported debt and this decision constitutes final disposal of the KLHC proceedings.

However, the vendor has appealed against this decision to the Court of Appeal (“COA”) against both the decision to grant an interlocutory injunction (“Injunction Appeal”) as well as the decision in respect of the OS (“OS Appeal”). The Injunction Appeal is fixed for hearing before the Court of Appeal on 28 June 2016 whilst the OS Appeal is presently being case managed with the next case management being fixed for 2 June 2016.

B9. Proposed Dividends

There were no dividends proposed during the quarter under review save as disclosed in Note A8.

B10. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity owners of the parent by the weighted average number of ordinary shares in issue during the three months and fifteen months period ended 31 March 2016 are computed as follow:-

	3 Months Ended		15 Months Ended	
	31-Mar 2016	31-Mar 2015	31-Mar 2016	31-Mar 2015
Profit attributable to owners of the parent (RM’000)	8,079	2,832	35,156	N/A
Weighted average number of STC Shares in issue (‘000)	115,779	116,342	115,779	N/A
Basic earning per STC Share (sen)	6.98	2.43	30.36	N/A



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Notes on the quarterly report – 31 March 2016

(b) Diluted

No diluted earnings per share is calculated as there are no potential dilutive ordinary shares.

B11. Notes to the Statement of Comprehensive Income

	3 Months ended		15 Months Ended	
	31-Mar	31-Mar	31-Mar	31-Mar
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Other income	(2,539)	(356)	(4,123)	N/A
Depreciation	2,221	2,277	11,746	N/A
Loss/(gain) on disposal of properties, plant & equipment	7	-	(6)	N/A
Loss/(gain) on foreign exchange	1,047	(1,147)	(3,322)	N/A



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2016

B12. Realised and unrealised profit / losses disclosure

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) had issued directives to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the breakdown of the retained profits of the Group as at 31 March 2016, into realised and unrealised profits is as follows:

	31-Mar-2016	31-Dec-2015
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	250,803	250,423
- Unrealised	811	2,130
	<u>251,614</u>	<u>252,553</u>
Total share of accumulated loss from jointly controlled entities :		
- Realised	(718)	(715)
	<u>250,896</u>	<u>251,838</u>
Less : Consolidation adjustments	(46,995)	(52,590)
Total group retained profits	<u><u>203,901</u></u>	<u><u>199,248</u></u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements”, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By order of the Board

Tan Ah Bah @ Tan Ah Ping
Managing Director
27 May 2016