



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 30 SEPTEMBER 2017

	Current Quarter 30-Sep-17 RM'000	Comparative Quarter 30-Sep-16 RM'000	Cummulative 3 Months	
			30-Sep-17 RM'000	30-Sep-16 RM'000
Revenue	82,002	101,971	82,002	101,971
Operating profit	10,851	20,290	10,851	20,290
Interest expense	(996)	(1,031)	(996)	(1,031)
Interest income	149	28	149	28
Share of loss of associate companies	-	-	-	-
Profit before tax	<u>10,004</u>	<u>19,287</u>	<u>10,004</u>	<u>19,287</u>
Income tax expense	(2,209)	(4,968)	(2,209)	(4,968)
Net profit for the period	<u>7,795</u>	<u>14,319</u>	<u>7,795</u>	<u>14,319</u>
<b>Other comprehensive income</b>				
Currency translation differences for foreign operations	767	335	767	335
Total comprehensive income for the period	<u>8,562</u>	<u>14,654</u>	<u>8,562</u>	<u>14,654</u>
<b>Profit after tax attributable to :</b>				
Owners of the Company	6,634	12,883	6,634	12,883
Non-controlling interest	1,161	1,436	1,161	1,436
	<u>7,795</u>	<u>14,319</u>	<u>7,795</u>	<u>14,319</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	7,054	13,563	7,054	13,563
Non-controlling interest	1,508	1,091	1,508	1,091
	<u>8,562</u>	<u>14,654</u>	<u>8,562</u>	<u>14,654</u>
<b>Earnings per share (in sen) for profit after tax attributable to owners of the Company :</b>				
Basic earnings per share	<u>5.68</u>	<u>11.24</u>	<u>5.68</u>	<u>11.24</u>

The Condensed Interim Financial Statements should be read in conjunction with STC's Audited Consolidated Financial Statements for the financial year ended 30 June 2017 with the accompanying explanatory notes attached to the financial statements.



CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	30-Sep-17 RM'000	Audited 30-Jun-17 RM'000
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	134,590	132,478
Investment properties	28,223	28,237
Investment in associate company	716	651
Goodwill on consolidation	7,616	7,616
Deferred Tax Assets	288	373
	<b>171,433</b>	<b>169,355</b>
<b>Current Assets</b>		
Inventories	124,191	117,169
Trade and other receivables	101,401	107,687
Amount due from contract customer	10,358	12,128
Total Prepayment and Other Assets	4,035	11,251
Amount due from associate company	2,318	1,638
Amount due from joint controlled entity	77	77
Amount due from related party	858	1,734
Tax Recoverable	4,064	4,181
Short Term Investment	10,386	11,023
Cash and bank Balances	37,711	43,521
	<b>295,399</b>	<b>310,409</b>
<b>TOTAL Assets</b>	<b>466,832</b>	<b>479,764</b>
<b>EQUITY AND Liabilities</b>		
<b>Equity</b>		
Share capital	65,145	65,145
Treasury Shares	(8,196)	(8,196)
Reserve	257,784	250,729
<b>Equity attributable to owners of the parent</b>	<b>314,733</b>	<b>307,678</b>
<b>Non-Controlling Interests</b>	<b>32,498</b>	<b>30,991</b>
<b>Total equity</b>	<b>347,231</b>	<b>338,669</b>
<b>Non-current Liabilities</b>		
Long term Borrowings	19,560	23,566
Deferred Tax Liabilities	2,582	2,100
	<b>22,142</b>	<b>25,666</b>
<b>Current Liabilities</b>		
Trade and other payables	57,675	73,735
Short term Borrowings	38,411	38,512
Current tax payable	1,373	3,182
	<b>97,459</b>	<b>115,429</b>
<b>TOTAL Liabilities</b>	<b>119,601</b>	<b>141,095</b>
<b>TOTAL EQUITY AND Liabilities</b>	<b>466,832</b>	<b>479,764</b>
Net Assets per share attributable to owners of the parent (RM)*	<b>2.97</b>	<b>2.90</b>

\* 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 CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	Attributable to Owners of the Parent								Total Equity	
	Share Capital	Non-distributable					Distributable			Non Controlling Interest
		Share Premium	Treasury shares	Foreign currency translation reserve	Capital Reserve	Retained Profit	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 July 2016	60,000	1,268	(6,462)	2,963	7,790	199,744	265,302	28,345	293,647	
Net profit for the period	-	-	-	-	-	12,883	12,883	1,436	14,319	
Other comprehensive income	-	-	-	335	-	-	335	-	335	
Total comprehensive income	-	-	-	335	-	12,883	13,218	1,436	14,654	
Share buy back	-	-	(1,731)	-	-	-	(1,731)	-	(1,731)	
<b>Profit after tax attributable to :</b>										
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(1,236)	(1,236)	(162)	(1,397)	
At 30 September 2016	60,000	1,268	(8,193)	3,297	7,790	211,391	275,553	29,619	305,173	
At 1 July 2017	65,145	1,268	(8,196)	2,939	7,790	238,733	307,679	30,990	338,669	
Net profit for the period	-	-	-	-	-	6,634	6,634	1,161	7,795	
Other comprehensive income	-	-	-	420	-	-	420	347	767	
Total comprehensive income	-	-	-	420	-	6,634	7,054	1,508	8,562	
At 30 September 2017	65,145	1,268	(8,196)	3,359	7,790	245,367	314,733	32,498	347,231	

*The Condensed Interim Financial Statements should be read in conjunction with STC's Audited Consolidated Financial Statements for the financial year ended 30 June 2017 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 CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	30-Sep-17 RM'000	30-Sep-16 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,004	19,287
Adjustments for:		
Non-cash items	(1,305)	1,349
Non-operating items	693	1,003
Operating profit before changes in working capital	9,392	21,639
Changes in working capital:		
Inventories	(5,515)	8,674
Trade and other receivables	17,149	333
Trade and other payables	(15,266)	(14,286)
Cash generated from operating activities	5,760	16,360
Tax paid	(4,288)	(3,861)
Tax refund	867	-
Interest paid	(800)	(1,003)
Interest received	149	-
<b>Net cash generated from operating activities</b>	<b>1,688</b>	<b>11,496</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment ("PPE")	(3,107)	(588)
Proceeds from disposal of PPE	122	651
Increase of investment in subsidiary	-	(1,236)
<b>Net cash used in investing activities</b>	<b>(2,985)</b>	<b>(1,173)</b>
<b>Cash flows from financing activities</b>		
Net movement in fixed deposit pledged	131	152
Repayment of bank borrowings and hire purchase payables	(3,147)	(4,286)
Net movement in trade bills	(1,347)	(5,547)
Drawdown from bank borrowings	-	2,000
Purchase of treasury shares	-	(1,731)
<b>Net cash used in financing activities</b>	<b>(4,363)</b>	<b>(9,412)</b>
Net (decrease) / increase in cash and cash equivalents	(5,660)	911
Effects of exchange rate changes	(367)	(331)
Cash and cash equivalents at beginning of financial period	52,991	37,788
Cash and cash equivalents at end of financial period	<b>46,964</b>	<b>38,368</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash & bank Balances	37,711	40,284
Deposits with licensed banks	1,133	1,179
	38,844	41,463
Less: Bank Overdraft	-	(1,919)
	38,844	39,544
Add : Short term investment	9,253	
Less : Non-cash & cash equivalent		
-Fixed deposit pledge for banking facilities	(1,133)	(1,176)
	<b>46,964</b>	<b>38,368</b>

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**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 September 2017**

**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 30 September 2017, 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 30 June 2017. 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”) 30 June 2017.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on or after 1 January 2016 did not have significant impact on the unaudited condensed consolidated financial statements upon their initial application.

**MFRSs, Amendments to MFRSs and IC Interpretation**

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MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities – Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	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	Equity Method in Separate Financial Statements
Annual Improvement to MFRS Standards 2012 – 2014 Cycles	
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Loss
Annual Improvement to MFRS Standards 2014 – 2016 Cycles:	
Amendments to MFRS 12	Clarification of the Scope of the Standard



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**Notes on the quarterly report – 30 September 2017**

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: -

**MFRSs and IC Interpretations**

**(including the Consequential Amendments)**

**Effective date**

MFRS 9	: Financial Instruments (IFRS 9 as 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
MFRS 17	: Insurance Contracts	1 January 2021
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2	: Classification and Measurement of Share- Based Payment Transactions	1 January 2018
Amendments to MFRS 4	: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15	: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15	: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
Amendments to MFRS 140	: Transfer of Investment Property	1 January 2018
Annual Improvement to MFRS Standards 2014 – 2016 Cycles:		
• Amendments to MFRS 1:	Deletion of Short-term Exemptions for First-time Adopters.	
• Amendments to MFRS 128	: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

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.



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**Notes on the quarterly report – 30 September 2017**

**A3. Qualification of Annual Financial Statements**

The latest audited consolidated financial statements of STC for the FYE 30 June 2017 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”) 30 September 2017. However, the process equipment’s business operation result is very much dependent on the status of the work in progress and 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 30 September 2017.

**A6. Changes in Accounting Estimates**

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

**A7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

As at 30 September 2017, the number of treasury shares held was 5,876,577 STC shares as treasury shares out of its 122,693,900 STC shares.

**A8. Dividend Paid**

A first interim tax-exempt single-tier dividend of RM 0.05 per ordinary share on 116,817,323 ordinary shares for the financial year ending 30 June 2018 was declared on 12 September 2017 and is paid on 29 November 2017 to the shareholders whose names appeared in the Company’s Record of Depositors on 01 November 2017, amounting RM 5,840,866.15. The shareholders have given an option to elect to reinvest the whole or part of the interim dividend into new ordinary shares of the Company in accordance with the dividend reinvestment scheme (“DRS”) with the issue price fixed at RM 3.10 per new ordinary share.

The Issue Price represents a discount of RM0.3381 or approximately 9.83% to the theoretical ex-dividend volume weighted average market price (“VWAP”) of approximately RM3.4381, which was arrived at after taking into consideration the 5-day VWAP up to and including 5 October 2017.

The net dividend paid amounting to RM1,019,746.15 after less the amount opted for the DRS. A total of 1,555,200 new ordinary shares will be issued and allotted on 29 November 2017 and will be listed and quotation of the abovementioned STC shares on 30 November 2017.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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Notes on the quarterly report – 30 September 2017

**A9. Segment Information**

**Business Segments Revenue & Results**

	<b>Transformer, industrial lighting and related products</b>	<b>Process equipment</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Quarter Ended 30 September 2017</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>REVENUE</b>				
External Sales	62,547	19,455	-	82,002
Inter-segment sales	-	-	-	-
<b>Total Revenue</b>	<b>62,547</b>	<b>19,455</b>	<b>-</b>	<b>82,002</b>
<b>RESULTS</b>				
Segment results				11,162
Share of loss from associate companies				-
Unallocated corporate expenses				(311)
Finance cost				(996)
Interest income				149
Profit before taxation				10,004
Taxation				(2,209)
Net profit for the period				7,795
Other comprehensive income				767
<b>Total comprehensive income for the period</b>				<b>8,562</b>





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**Notes on the quarterly report – 30 September 2017**

<b>Quarter Ended 30 September 2016</b>	<b>Transformer, Industrial lighting &amp; related products RM’000</b>	<b>Process equipment RM’000</b>	<b>Eliminations RM’000</b>	<b>Consolidated RM’000</b>
<b>REVENUE</b>				
External Sales	78,770	23,201	-	101,971
Inter-segment sales	-	-	-	-
Total Revenue	<u>78,770</u>	<u>23,201</u>	<u>-</u>	<u>101,971</u>
<b>RESULTS</b>				
Segment results				20,483
Share of loss in associate companies				-
Unallocated corporate expenses				(193)
Finance cost				(1,031)
Interest income				<u>28</u>
Profit before taxation				<u>19,287</u>
Taxation				<u>(4,968)</u>
Net profit for the period				<u>14,319</u>
Other comprehensive income				<u>335</u>
Total comprehensive income for the period				<u>14,654</u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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Notes on the quarterly report – 30 September 2017

A9. Segment Information - (Cont’d)

Geographical Segments Revenue & Results

Quarter Ended 30 September 2017	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
<b>REVENUE</b>				
External Sales	57,748	24,254	-	82,002
Inter-segment sales	4,973	5,300	(10,273)	-
Total Revenue	62,721	29,554	(10,273)	82,002
<b>RESULTS</b>				
Segment results				11,162
Share of loss from associate companies				-
Unallocated corporate expenses				(311)
Finance cost				(996)
Interest income				149
Profit before taxation				10,004
Taxation				(2,209)
Net profit for the period				7,795
Other comprehensive income				767
Total comprehensive income for the period				8,562



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 September 2017**

<b>Quarter Ended 30 September 2016</b>	<b>Malaysia RM’000</b>	<b>Overseas RM’000</b>	<b>Eliminations RM’000</b>	<b>Consolidated RM’000</b>
<b>REVENUE</b>				
External Sales	74,521	27,450	-	101,971
Inter-segment sales	4,083	8,397	(12,480)	-
Total Revenue	<u>78,604</u>	<u>35,847</u>	<u>(12,480)</u>	<u>101,971</u>
<b>RESULTS</b>				
Segment results				20,483
Share of loss from associate companies				-
Unallocated corporate expenses				(193)
Finance cost				(1,031)
Interest income				28
Profit before taxation				<u>19,287</u>
Taxation				(4,968)
Net profit for the period				<u>14,319</u>
Other comprehensive income				<u>335</u>
Total comprehensive income for the period				<u>14,654</u>



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 September 2017**

**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 30<sup>th</sup> September 2017.

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

There were no material events subsequent to the end of the interim reporting period other than the corporate exercise as disclosed in Note B6.

**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.



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**Notes on the quarterly report – 30 September 2017**

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

**B1. Review of performance**

The Group recorded a revenue of RM82 million for the current quarter ended 30 September 2017 as compared to RM101.97 million in the previous year corresponding quarter, showing a decreased of RM19.97 million or 19.58% mainly due to decreased in sales from both transformer and lighting segment and process equipment segment, especially from transformer and lighting segment.

The lower sales recorded in transformer and lighting segment in the current quarter as compared to previous year corresponding quarter was mainly due to non-recurring project sales were recognised in the previous year corresponding quarter.

Profit after tax attributable to owners of the Company of RM6.63 million for the current quarter ended 30 September 2017 as compared to RM12.88 million in the previous year’s corresponding quarter, showing a decreased of RM6.25 million or 48.51%. This is mainly due to decreased in sales from transformer and lighting segment and process equipment segment.

Process equipment segment’s positive result was mainly attributable to the reversal of allowances for impairment loss of trade receivables from previous year.

**B2. Variation of results against preceding quarter**

The Group recorded a profit before tax (“PBT”) of RM10 million for the current quarter ended 30 September 2017 as compared to profit before tax of RM13.79 million in the preceding quarter ended 30 June 2017, showing a decreased of RM3.79 million or 27.48%. This is mainly due to decreased in sales from transformer and lighting segment and process equipment segment.

Process equipment segment’s positive result was mainly due to reversal of allowances for impairment loss of trade receivables from previous year.

**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 will also step up on its effort to enhance its competitiveness and productivity in its operations.

In the process equipment segment, despite the challenging economic outlook, the Group is continuing its efforts to focus on its core business and intensively broadening its customer base and products especially in steel structure and piping works coupled with strengthening project management and cost control. The Board is confident that the Group will generate positive result in year ahead.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory financial performance in 2018.



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**Notes on the quarterly report – 30 September 2017**

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense**

	<b>3 Months Ended</b>	
	<b>30-Sep-2017</b>	<b>30-Sep-2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	1,727	4,913
Deferred tax	482	55
Total	<u>2,209</u>	<u>4,968</u>

The effective tax rate for the current quarter is slightly lower than the statutory tax rate due to no provision of tax is required by a subsidiary company which has sufficient unabsorbed tax losses brought forward.

**B6. Status of Corporate Proposals**

On 9 October 2017, the Company proposed to undertake a share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares held by the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined later (“Proposed share split”). The proposed share split has been submitted to Bursa Securities on 10 October 2017 and approved on 13 October 2017.

As at 13 September 2017 (being the latest practicable date prior to the date of this announcement), the issued share capital of STC is RM 61,346,950 comprising 122,693,900 STC Shares I including 5,876,577 held as treasury shares). Upon completion of the Proposed Share Split, the resultant issued share capital of STC will be RM 61,346.950 comprising 245,387,800 subdivided shares (including 11,753,154 held as treasury shares).

The approval for the proposed share split from shareholders of the Company will be obtained at an extraordinary general meeting on 4 December 2017 before listing of and quotation for the subdivided shares on the Main market of Bursa Securities. Barring any unforeseen circumstances, the proposed share split is expected to be completed by end of December 2017.



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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Notes on the quarterly report – 30 September 2017

**B7. Group Borrowings**

The Group’s borrowings as at 30 September 2017 were as follows:

<u>Secured</u>	<b>Payable within 12 months RM'000</b>	<b>Payable after 12 Months RM'000</b>
Bank Borrowings	37,261	17,936
Hire Purchase Payables	1,150	1,624
Bank Overdraft	-	-
Total Borrowings	<u>38,411</u>	<u>19,560</u>

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

	<b>Amount RM'000</b>
Malaysian Ringgit	54,291
Singaporean Dollar	3,613
Indonesian Rupiah	67
Total Borrowings	<u><u>57,971</u></u>



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**Notes on the quarterly report – 30 September 2017**

**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.

**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' period ended 30 September 2017 are computed as follow: -

	<b>3 Months Ended</b>	
	<b>30-Sep 2017</b>	<b>30-Sep 2016</b>
Profit attributable to owners of the parent (RM'000)	6,634	12,883
Weighted average number of STC Shares in issue ('000)	116,817	114,624
Basic earning per STC Share (sen)	5.68	11.24

**(b) Diluted**

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





**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
*(Company No: 636939-W)*

**Notes on the quarterly report – 30 September 2017**

**B11. Notes to the Statement of Comprehensive Income**

	<b>3 Months ended</b>	
	<b>30-Sep 2017 RM'000</b>	<b>30-Sep 2016 RM'000</b>
Other income	(657)	(106)
Gain on disposal of properties, plant & equipment	(31)	(411)
Loss /(Gain) on foreign currency exchange	158	(1,918)
Fixed deposit interest income	(149)	(21)
Reversal of impairment losses on trade receivables	(2,475)	(191)
Reversal of inventories written down	(1,508)	-
Depreciation	2,370	2,280
Impairment loss of trade receivables	43	-



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
(Company No: 636939-W)

**Notes on the quarterly report – 30 September 2017**

**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 30 September 2017, into realised and unrealised profits is as follows:

	<b>As at End of Current Quarter 30-Sep-2017</b>	<b>As at End of Preceding Quarter 30-Jun-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Company and its subsidiaries :		
- Realised	279,478	270,291
- Unrealised	311	2,039
	<u>279,789</u>	<u>272,330</u>
Total share of accumulated loss from jointly controlled entities :		
- Realised	(75)	(75)
	<u>279,714</u>	<u>272,255</u>
Less : Consolidation adjustments	(34,347)	(33,522)
	<u>245,367</u>	<u>238,733</u>
Total group retained profits	<u>245,367</u>	<u>238,733</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  
29 November 2017