



**SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")**  
(200301034518) (636939-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	<b>Current Quarter 30-Sep-19 RM'000</b>	<b>Comparative Quarter 30-Sep-18 RM'000</b>	<b>Cumulative 3 months</b>	
			<b>30-Sep-19 RM'000</b>	<b>30-Sep-18 RM'000</b>
<b>Revenue</b>	73,652	81,193	73,652	81,193
<b>Operating profit</b>	15,447	10,265	15,447	10,265
Interest expense	(558)	(896)	(558)	(896)
Interest income	248	236	248	236
<b>Profit before taxation</b>	15,137	9,605	15,137	9,605
Taxation	(2,632)	(3,488)	(2,632)	(3,488)
<b>Net Profit / (Loss) after taxation</b>				
- From continuing operations	12,897	5,964	12,897	5,964
- From discontinued operations	(392)	153	(392)	153
<b>Profit for the period</b>	12,505	6,117	12,505	6,117
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations	11,540	5,498	11,540	5,498
- From discontinued operations	(229)	119	(229)	119
	11,311	5,617	11,311	5,617
Non-controlling interests				
- From continuing operations	1,031	534	1,031	534
- From discontinued operations	163	(34)	163	(34)
	1,194	500	1,194	500
	12,505	6,117	12,505	6,117
<b>Earnings per share (sen) :</b>				
Basic	4.82	2.37	4.82	2.37
- From continuing operations	4.92	2.32	4.92	2.32
- From discontinued operations	(0.10)	0.05	(0.10)	0.05
Diluted	4.76	N/A	4.76	N/A
- From continuing operations	4.86	N/A	4.86	N/A
- From discontinued operations	(0.10)	N/A	(0.10)	N/A

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")  
(200301034518) (636939-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Current Quarter 30-Sep-19 RM'000	Comparative Quarter 30-Sep-18 RM'000	Cumulative 3 months	
			30-Sep-19 RM'000	30-Sep-18 RM'000
<b>Profit / (Loss) for the period</b>	12,505	6,117	12,505	6,117
<b>Other comprehensive (expense)/income</b>				
Currency translation differences for foreign operations	(862)	(624)	(862)	(624)
<b>Total comprehensive income / (loss) for the period</b>	<u>11,643</u>	<u>5,493</u>	<u>11,643</u>	<u>5,493</u>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations	11,182	5,108	11,182	5,108
- From discontinued operations	(229)	119	(229)	119
	<u>10,953</u>	<u>5,227</u>	<u>10,953</u>	<u>5,227</u>
Non-controlling interests				
- From continuing operations	527	300	527	300
- From discontinued operations	163	(34)	163	(34)
	<u>690</u>	<u>266</u>	<u>690</u>	<u>266</u>
<b>Total comprehensive income / (loss) for the period</b>	<u>11,643</u>	<u>5,493</u>	<u>11,643</u>	<u>5,493</u>

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")  
(200301034518) (636939-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019

	As at 30.09.2019 Unaudited RM'000	As at 30.06.2019 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,762	111,928
Investment properties	30,208	46,422
Right-of-use assets	399	-
Investment in associate company	393	403
Goodwill on consolidation	-	6,921
Amount due from a related party	-	2,693
Deferred tax assets	347	348
<b>TOTAL NON-CURRENT ASSETS</b>	<b>109,109</b>	<b>168,715</b>
<b>Current assets</b>		
Inventories	106,189	116,713
Trade receivables	69,527	72,001
Other receivables, deposits and prepayments	18,044	12,772
Contract assets	-	9,725
Amount due from associates	1,018	1,330
Tax recoverable	5,137	12,696
Short term investment	26,546	15,224
Cash and bank balances	52,170	39,147
<b>TOTAL CURRENT ASSETS</b>	<b>278,631</b>	<b>279,608</b>
<b>TOTAL ASSETS</b>	<b>387,740</b>	<b>448,323</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	71,711	71,515
Treasury shares	(9,880)	(9,880)
Reserves	256,305	259,141
	318,136	320,776
<b>NON-CONTROLLING INTERESTS</b>	<b>22,724</b>	<b>28,227</b>
<b>TOTAL EQUITY</b>	<b>340,860</b>	<b>349,003</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
Long term borrowings	1,905	14,810
Deferred tax liabilities	1,601	1,281
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,506</b>	<b>16,091</b>
<b>Current liabilities</b>		
Trade payables	11,175	33,969
Other payables and accruals	27,155	21,529
Lease liabilities	399	-
Short term borrowings	4,255	27,129
Current tax payable	390	602
<b>TOTAL CURRENT LIABILITIES</b>	<b>43,374</b>	<b>83,229</b>
<b>TOTAL LIABILITIES</b>	<b>46,880</b>	<b>99,320</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>387,740</b>	<b>448,323</b>
	-	-
<b>Net assets per share attributable to owners of the parent (RM) *</b>	<b>1.35</b>	<b>1.37</b>

\* Non-controlling interests are excluded from the computation of the net assets per shares

The unaudited Condensed Consolidation Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")  
(200301034518) (636939-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Current Year - To - date 30-Sep-19 Unaudited RM'000	Preceding Year Corresponding Year 30-Sep-18 Audited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
From continuing operations	15,529	9,452
From discontinued operations	(392)	153
	<u>15,137</u>	<u>9,605</u>
Adjustments for:		
Non-cash items	4,238	1,898
Non-operating items	(5,960)	620
	<u>13,415</u>	<u>12,123</u>
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	(267)	(2,138)
Trade and other receivables	(9,348)	6,858
Trade and other payables	(9,982)	(15,756)
	<u>(6,182)</u>	<u>1,087</u>
Cash generated from operating activities		
Tax paid	(2,897)	(3,682)
Tax refund	7,954	-
Interest paid	(558)	(896)
Interest received	248	236
	<u>(1,435)</u>	<u>(3,255)</u>
<b>Net cash generated used in operating activities</b>		
	<u>(1,435)</u>	<u>(3,255)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,192)	(1,107)
Proceeds from disposal of PPE	241	30
Increase of investment in subsidiary	(388)	-
Net cash inflow from disposal of subsidiary company	27,090	-
	<u>25,751</u>	<u>(1,077)</u>
<b>Net cash generated from / (used in) investing activities</b>		
	<u>25,751</u>	<u>(1,077)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in fixed deposit pledged	109	(1)
Repayment of lease liabilities	(44)	-
Repayment of bank borrowings and hire purchase payables	(742)	(701)
Net movement in trade bills	(1,308)	3,007
Drawdown from bank borrowings	2,000	2,000.00
Proceeds from issuance of new shares	173	-
Purchase of treasury shares	-	(743)
	<u>188</u>	<u>3,562</u>
<b>Net cash generated from financing activities</b>		
	<u>188</u>	<u>3,562</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	24,504	(770)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	54,246	47,162
<b>EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD</b>	(50)	(453)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>78,700</u></u>	<u><u>45,939</u></u>

The unaudited Condensed Consolidation Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Current Year - To - date 30-Sep-19 Unaudited RM'000	Preceding Year Corresponding Year 30-Sep-18 Audited RM'000
<b>Cash and cash equivalents at end of the period comprises:</b>		
Cash & bank Balances	51,304	33,080
Deposits with licensed banks	866	128
	<hr/>	<hr/>
	52,170	33,208
Less: Bank Overdraft	-	(6,694)
	<hr/>	<hr/>
	52,170	26,514
Add : Short term investment	26,546	19,548
Less : Non-cash & cash equivalent -Fixed deposit pledge for banking facilities	(16)	(123)
	<hr/>	<hr/>
	<b>78,700</b>	<b>45,939</b>
	<hr/>	<hr/>

**Disposal of subsidiary company**

The disposal had the following effect on the financial position of the Group:

	RM'000
Property, Plant and Equipment	32,489
Investment in property	16,163
Inventories	10,901
Receivables	18,227
Cash & bank balances	557
Bank overdraft	(1,877)
Loans and borrowings	(35,909)
Payables	(21,050)
Net assets	<hr/> 19,501
Non-Controlling Interest	(6,742)
Share of net assets disposed as at 31/08/2019	<hr/> 12,759
Goodwill	6,921
Carrying amount of net assets/(liab) disposed	<hr/> 19,680
Gain on disposal	6,090
Disposal proceed	<hr/> 25,770
Less : Cash and bank balances	(557)
Less : Bank overdraft	1,877
Net cash inflow from disposal of subsidiary	<hr/> <b>27,090</b> <hr/>

The unaudited Condensed Consolidation Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Attributable to Owners of the Parent						Retained earnings	Total	Non - controlling interests	Total equity
	Non-distributable			Distributable						
	Share capital	Share premium	Treasury shares	Employees Share option reserve	Foreign currency translation reserve	Capital reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current period-to-date ended 30 September 2019</b>										
<b>As at 1 July 2019</b>	71,515	-	(9,880)	457	2,926	7,790	247,968	320,776	28,227	349,003
Profit for the year	-	-	-	-	-	-	11,311	11,311	1,194	12,505
Other comprehensive income										
- Foreign currency translation differences	-	-	-	-	(358)	-	-	(358)	(504)	(862)
<b>Total comprehensive income for the period</b>	-	-	-	-	(358)	-	11,311	10,953	690	11,643
<b>Contributions by and distributions to owners of the Company :</b>										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(6,742)	(6,742)
Employees' share option granted	-	-	-	139	-	-	-	139	-	139
Employees' share option exercised	196	-	-	(24)	-	-	-	172	-	172
Dividend payable by the Company	-	-	-	-	-	-	(13,390)	(13,390)	-	(13,390)
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	-	(514)	(514)	549	35
<b>Total transactions with owners of the Company</b>	196	-	-	115	-	-	(13,904)	(13,593)	(6,193)	(19,786)
<b>At 30 September 2019</b>	71,711	-	(9,880)	572	2,568	7,790	245,375	318,136	22,724	340,860



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Attributable to Owners of the Parent						Retained earnings	Total	Non - controlling interests	Total equity
	Non-distributable			Distributable						
	Share capital	Share premium	Treasury shares	Share option reserve	Foreign currency translation reserve	Capital reserve				
	RM'000	RM'000	RM'000	RM'001	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Preceding year corresponding period ended 30 September 2018</b>										
<b>At 1 July 2018</b>	69,966	1,268	(8,198)	-	3,176	7,790	236,395	310,397	28,701	339,098
Effects of adoption of MFRS 15	-	-	-	-	-	-	(808)	(808)	-	(808)
As at 1 July 2018	69,966	1,268	(8,198)	-	3,176	7,790	235,587	309,589	28,701	338,290
Profit for the period	-	-	-	-	-	-	5,617	5,617	500	6,117
Other comprehensive income - Foreign currency translation differences	-	-	-	-	(390)	-	-	(390)	(234)	(624)
<b>Total comprehensive income for the period</b>	-	-	-	-	(390)	-	5,617	5,227	266	5,493
<b>Contributions by and distributions to owners of the Company :</b>										
Effects of adoption of MFRS 15	-	-	-	-	-	-	808	808.00	-	808
Purchase of treasury shares	-	-	(743)	-	-	-	-	(743.00)	-	(743)
<b>Total transactions with owners of the Company</b>	-	-	(743)	-	-	-	808	65.00	-	65
<b>At 30 September 2018</b>	69,966	1,268	(8,941)	-	2,786	7,790	242,012	314,881	28,967	343,848

The unaudited Condensed Consolidation Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2019 with the accompanying explanatory notes attached to these interim financial statements.



Notes on the quarterly report – 30 September 2019

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A1. Basis of Preparation**

These condensed consolidated financial statements, for the period ended 30 September 2019, 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 (“**Bursa Securities**”) and should be read in conjunction with the STC and its subsidiaries (“Group”) audited financial statements for the year ended 30 June 2019.

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 2019, except for the adoption of the following new MFRS, amendments to MFRSs and IC interpretation that are effective for annual period beginning on or after 1 January 2019 as follow:

**MFRSs, Amendments to MFRSs and Interpretations Committee (“IC”) Interpretation**

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MFRS 16	Lease
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015- 2017 Cycles	

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impacts on the Group’s financial statements.

**MFRS 16**

MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 ‘Property, Plant and Equipment’ and the lease liability is accreted over time with interest expense recognised in profit or loss.

The Group has adopted MFRS 16 using the modified retrospective approach which measured the right-of-use assets equals to the lease liabilities at 1 July 2019 with no restatement of comparative information.





**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 30 September 2019**

The Group has not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period: -

**MFRSs and IC Interpretations (including the Consequential Amendments)**

<u>Standard issued but not effective</u>	<b>Effective date</b>
MFRS 17 : Insurance Contracts	1 January 2021
Amendments to MFRS 3 : Definition of a Business	1 January 2020
Amendments to MFRS 10 : Sale or Contribution of Assets between an and MFRS 128 Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 : Definition of Material and MFRS 108	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The above-mentioned accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the Group’s financial statements upon their initial application.



**Notes on the quarterly report – 30 September 2019**

**A3. Qualification of Annual Financial Statements**

The latest audited consolidated financial statements of STC for the FYE 30 June 2019 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 2019.

**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 2019, except as disclosed in A15.

**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**

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

a) Share Buy Back

As at 30 September 2019, the number of treasury shares held was 14,371,454 STC Shares at an average cost of RM0.6875 per STC Share out of its 249,275,600 STC shares.

b) Employees’ Share Option Scheme (“ESOS”)

During the FPE 30 September 2019, total numbers of 320,600 ordinary shares were issued under the Company’s ESOS making the issued ordinary shares of the Company to become 249,275,600 ordinary shares as at 30 September 2019.



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**Notes on the quarterly report – 30 September 2019**

**A8. Dividend Paid**

On 12 September 2019, the Company declared a special tax-exempt single-tier dividend of RM0.035 per ordinary shares on 234,904,146 ordinary shares in respect of the financial year ending 30 June 2020 amounting to RM8,221,645 and paid on 7 October 2019 to shareholders whose names appeared in Company’s record of depositors on 30 September 2019.

On 13 September 2019, the Company declared an interim tax-exempt single-tier dividend of RM0.022 per ordinary shares on 234,904,146 ordinary shares in respect of the financial year ending 30 June 2020 amounting to RM5,167,890 and paid on 07 October 2019 to shareholders whose names appeared in Company’s record of depositors on 30 September 2019.

The Company has accrued a total dividend of RM13,389,535 in respect of the financial year ending 30 June 2020.

In the previous year corresponding financial period ended 30 September 2018, a first interim tax-exempt single-tier dividend of RM0.01 per ordinary share on 235,167,146 ordinary shares for the FYE 30 June 2019 was declared on 27 November 2018, totaling RM2,351,671.46 and was paid on 16 January 2019 to the shareholders whose name appeared in the Company’s record of depositors on 20 December 2018.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 September 2019**

**A9. Segment Information**

**Business Segments Revenue & Results**

<b>Quarter Ended 30 September 2019</b>	<b>Transformer, lighting and 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	66,594	7,058	-	73,652
Inter-segment sales	-	-	-	-
<b>Total Revenue</b>	<u>66,594</u>	<u>7,058</u>	<u>-</u>	<u>73,652</u>
<b>RESULTS</b>				
Segment results				16,056
Unallocated corporate expenses				(609)
Finance cost				(558)
Interest income				248
Profit before taxation				<u>15,137</u>
Taxation				<u>(2,632)</u>
<b>Net profit for the period</b>				
- From continuing operations				12,897
- From discontinued operations				(392)
<b>Profit for the period</b>				<u><u>12,505</u></u>
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,540
- From discontinued operations				(229)
				<u>11,311</u>
Non-controlling interests				
- From continuing operations				1,031
- From discontinued operations				163
				<u>1,194</u>
				<u><u>12,505</u></u>
<b>Comprehensive income for the period :</b>				
Profit for the period				12,505
Other comprehensive expense				(862)
<b>Total comprehensive income / (loss) for the period</b>				<u><u>11,643</u></u>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,182
- From discontinued operations				(229)
				<u>10,953</u>
Non-controlling interests				
- From continuing operations				527
- From discontinued operations				163
				<u>690</u>
<b>Total comprehensive income / (loss) for the period</b>				<u><u>11,643</u></u>



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 September 2019**

<b>Quarter Ended 30 September 2018</b>	<b>Transformer, lighting and 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	64,734	16,459	-	81,193
Inter-segment sales	2	-	(2)	-
<b>Total Revenue</b>	<b>64,736</b>	<b>16,459</b>	<b>(2)</b>	<b>81,193</b>
<b>RESULTS</b>				
Segment results				10,448
Unallocated corporate expenses				(183)
Finance cost				(896)
Interest income				236
Profit before taxation				9,605
Taxation				(3,488)
<b>Net profit for the period</b>				
- From continuing operations				5,964
- From discontinued operations				153
<b>Profit for the period</b>				<b>6,117</b>
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				5,498
- From discontinued operations				119
				5,617
Non-controlling interests				
- From continuing operations				534
- From discontinued operations				(34)
				500
				6,117
<b>Comprehensive income for the period :</b>				
Profit for the period				6,117
Other comprehensive expense				(624)
<b>Total comprehensive income / (loss) for the period</b>				<b>5,493</b>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				5,108
- From discontinued operations				119
				5,227
Non-controlling interests				
- From continuing operations				300
- From discontinued operations				(34)
				266
<b>Total comprehensive income / (loss) for the period</b>				<b>5,493</b>



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**A9. Segment Information - (Cont’d)**

**Geographical Segments Revenue & Results**

<b>Quarter Ended 30 September 2019</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	51,133	22,519	-	73,652
Inter-segment sales	3,263	6,000	(9,263)	-
<b>Total Revenue</b>	<b>54,396</b>	<b>28,519</b>	<b>(9,263)</b>	<b>73,652</b>
<b>RESULTS</b>				
Segment results				16,056
Unallocated corporate expenses				(609)
Finance cost				(558)
Interest income				248
Profit before taxation				15,137
Taxation				(2,632)
<b>Net profit for the period</b>				<b>12,897</b>
- From continuing operations				12,897
- From discontinued operations				(392)
<b>Profit for the period</b>				<b>12,505</b>
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,540
- From discontinued operations				(229)
				11,311
Non-controlling interests				
- From continuing operations				1,031
- From discontinued operations				163
				1,194
				12,505
<b>Comprehensive income for the period :</b>				
Profit for the period				12,505
Other comprehensive expense				(862)
<b>Total comprehensive income / (loss) for the period</b>				<b>11,643</b>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,182
- From discontinued operations				(229)
				10,953
Non-controlling interests				
- From continuing operations				527
- From discontinued operations				163
				690
<b>Total comprehensive income / (loss) for the period</b>				<b>11,643</b>



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<b>Quarter Ended 30 June 2018</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	57,892	23,301	-	81,193
Inter-segment sales	2	-	(2)	-
<b>Total Revenue</b>	<b>57,894</b>	<b>23,301</b>	<b>(2)</b>	<b>81,193</b>
<b>RESULTS</b>				
Segment results				10,448
Unallocated corporate expenses				(183)
Finance cost				(896)
Interest income				236
Profit before taxation				9,605
Taxation				(3,488)
<b>Net profit for the period</b>				
- From continuing operations				5,964
- From discontinued operations				153
<b>Profit for the period</b>				<b>6,117</b>
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				5,498
- From discontinued operations				119
				5,617
Non-controlling interests				
- From continuing operations				534
- From discontinued operations				(34)
				500
				6,117
<b>Comprehensive profit for the period :</b>				
Profit for the period				6,117
Other comprehensive expense				(624)
<b>Total comprehensive loss for the period</b>				<b>5,493</b>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				5,108
- From discontinued operations				119
				5,227
Non-controlling interests				
- From continuing operations				300
- From discontinued operations				(34)
				266
<b>Total comprehensive income / (loss) for the period</b>				<b>5,493</b>



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**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 was no capital commitment approved and contracted for as at 30 September 2019.

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

There were no material events subsequent as at 30 September 2019.

**A13. Changes in the composition of the Group**

- a) On 31 July 2019, STC acquired an additional 46% equity interest in PT Boxon Nikkon from its subsidiary, Boxon Industries Hardware (M) Sdn. Bhd. for a total cash consideration of RM387,777. Following the completion of the acquisition on 31 July 2019, BNJ became 96% direct owned subsidiary.
- b) On 3 September 2019, STC had entered into a sale and purchase agreement with MIE Industrial Sdn Bhd in relation to the disposal of 52,000,000 ordinary shares in Seremban Engineering Berhad (“SEB”), representing 65% of the entire equity interest in SEB, a subsidiary company of STC for a total cash consideration of RM26 million. This transaction was completed on 3 September 2019 and SEB has ceased to be a subsidiary company of STC with effect from 3 September 2019.

**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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**A15. Discontinued operation**

As mentioned in Note A13, SEB was ceased to be a subsidiary of STC as at 3 September 2019 and hence it had been classified as “Discontinued operations” in the Statement of Profit or Loss and Other Comprehensive Income.

The revenue and results of the Discontinued operations are as follow:

	<b>1-July-19 to 31 -Aug-19 2 months ended RM'000</b>	<b>30-Sep-19 3 months Ended RM'000</b>
Revenue	7,058	16,459
Other income	94	400
Operating expenses	<u>(7,544)</u>	<u>(16,706)</u>
Operating (loss) / profit before tax	(392)	153
Taxation	-	-
Net (loss) / profit after tax	<u><u>(392)</u></u>	<u><u>153</u></u>
Cash flow ( used in ) / from discontinued operations		
Operating activities	(4,251)	(3,990)
Investing activities	-	(356)
Financing activities	1,091	4,333
Net cash flows	<u><u>(3,160)</u></u>	<u><u>(13)</u></u>



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

**B1. Review of performance**

	<b>3 Months Period Ended</b>		<b>Changes (%)</b>
	<b>30-Sep-19 RM'000</b>	<b>30-Sep-18 RM'000</b>	
Revenue	73,652	81,193	(9)
Profit before tax	15,137	9,605	58
Taxation	(2,632)	(3,488)	(25)
Net profit after tax	<b>12,505</b>	<b>6,117</b>	104
- From continuing operations	12,897	5,964	116
- From discontinued operations	(392)	153	(356)
<b>Profit / (Loss) attributable to Owners of the Company :</b>			
	<b>11,311</b>	<b>5,617</b>	101
- From continuing operations	11,540	5,498	110
- From discontinued operations	(229)	119	(292)

The Group recorded a revenue of RM73.65 million for the current quarter ended 30 September 2019 as compared to RM81.19 million in the previous year corresponding quarter, showing a decrease of RM7.54 million or 9%. These was mainly due to decrease in sales from process equipment segment despite increase in sales from transformer and lighting segment.

The lower in sales from process equipment segment mainly due to disposal of process equipment segment on 3 September 2019.

The higher sales recorded in transformer and lighting segment in the current quarter as compared to previous year corresponding quarter mainly due to increase in sales from overseas market.

Profit after tax (“PAT”) attributable to owners of the Company from continuing operations of RM11.54 million for the current quarter ended 30 September 2019 as compared to RM5.50 million in the previous year corresponding quarter, showing an increase of RM6.04 million or 110%. This mainly due to gain on disposal of process equipment segment amounting to RM6.09 million.

Save as disclosed as above, there were no material factors affecting the earnings and/or revenue of the Group and the Company for the current quarter under review.



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

	<b>Current Quarter 30-Sep-19 RM'000</b>	<b>Preceding Quarter 30-Jun-19 RM'000</b>	<b>Changes (%)</b>
Revenue	73,652	69,052	7
Profit before tax	15,137	3,774	301
Taxation	(2,632)	(654)	302
Net profit after tax	<b>12,505</b>	<b>3,120</b>	301
- From continuing operations	12,897	5,370	140
- From discontinued operations	(392)	(2,250)	(83)
<b>Profit / (Loss) attributable to Owners of the Company :</b>			
	<b>11,311</b>	<b>2,846</b>	297
- From continuing operations	11,540	4,291	169
- From discontinued operations	(229)	(1,445)	(84)

The Group recorded a revenue of RM73.65 million for the current quarter ended 30 September 2019 as compared to RM69.05 million in the preceding quarter, showing an increase of RM4.60 million or 7%. These was mainly due to increase in sales from transformer and lighting segment despite decrease in sales from process equipment segment.

The higher sales recorded in transformer and lighting segment in the current quarter as compared to previous year corresponding quarter mainly due to increase in sales from local and overseas market.

The decrease in sales from process equipment segment mainly due to disposal of process equipment segment on 3 September 2019.

Profit after tax (“PAT”) attributable to owners of the Company from continuing operations of RM11.54 million for the current quarter ended 30 September 2019 as compared to RM4.29 million in the preceding quarter, showing an increase of RM7.25 million or 169%. This mainly due to gain on disposal of process equipment segment amounting to RM6.09 million and increase in sales from transformer and lighting segment.



**Notes on the quarterly report – 30 September 2019**

**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 competitive and productivity in its operations.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory financial performance in the financial year ending 2020.

**B4. Profit Forecast or Profit Guarantee**

Not applicable as there was no profit forecast or profit guarantee issued by the Group as at 30 September 2019.

**B5. Tax Expense**

	<b>3 Months Ended</b>	
	<b>30-Sep-2019</b>	<b>30-Sep-2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	2,312	3,023
Deferred tax	320	465
Total	<u>2,632</u>	<u>3,488</u>

The effective tax rate for the current quarter is lower than the statutory tax rate was mainly due to gain on disposal of SEB amounting to RM6.09 million which is not subject to tax.



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**B6. Status of Corporate Proposals**

Save as disclosed below, 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.

a) Utilisation of Proceeds from Corporate Proposals

- (i) The status of utilization of proceeds arising from the disposal of 52,000,000 ordinary shares in Seremban Engineering Berhad, representing 65% of the entire equity interest in SEB, a subsidiary company of STC for a total cash consideration of RM26 million (“Disposal”) as at 22 November 2019 is set out below:

	<b>Proposed utilisation (RM’000)</b>	<b>Actual utilisation (RM’000)</b>	<b>Variation for utilization of proceeds (RM’000)</b>	<b>Balance (RM’000)</b>	<b>Expected timeframe for the utilisation from the date of receipt</b>
<b>Working capital</b>					
Purchase of raw materials	8,000	(8,000)	-	-	Within 12 months
Payment of payroll	1,000	(1,000)	-	-	
Selling and distribution expenses	1,000	(1,000)	-	-	
Other administrative expenses	1,000	(991)	*(9)	-	
<b>Future potential investment(s) / acquisition(s)</b>	14,800	-	-	14,800	Within 12 months
<b>Defray estimated expenses relating to the Disposal</b>	200	(209)	9	-	Within 6 months
<b>Total</b>	<b>26,000</b>	<b>11,200</b>	<b>-</b>	<b>14,800</b>	

Note:

\* The actual amount of the expenses relating to the Disposal were higher than the estimated expenses. Hence, the variation in the amount of estimated expenses had been adjusted against the amount proposed for other administrative expenses under the working capital.



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b) Employees’ share option scheme

On 21 May 2018, the Company proposes to establish an employees’ share option scheme (“**ESOS**”) of up to 15% of the total number of issued shares of STC (excluding treasury shares) at any point in time during the duration of the ESOS for the eligible employees and executive directors of the Group (excluding dormant subsidiary companies) (“**Proposed ESOS**”).

The listing application in relation to the Proposed ESOS has been submitted to Bursa Securities on 22 May 2018 and approved on 28 May 2018.

The approval for the Proposed ESOS from the shareholders of the Company was obtained at the extraordinary general meeting on 2 July 2018.

On 16 November 2018, total of 7,102,200 ESOS options were offered to the eligible employees and an executive director of the Group at RM0.54 (after discounted of 9.85% on five (5) day volume weighted average market price of STC’s shares of RM0.599 immediately preceding the date of the offer). 95.33% of the options were accepted by eligible director and employees on 15 December 2018.

The fair value of the share options granted to eligible employees and directors was determined using Black-Scholes Option Pricing model, after taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at the grant date and the input assumed by the Company in arising the fair value are as follows:

Weighted average share price (RM)	0.59
Weighted average exercise price (RM)	0.54
Expected volatility (%)	58.00
Expected life (years)	1.11
Risk-free Interest rate (%)	3.77
Expected dividend yield (%)	2.60

During the financial year ending 30 June 2020, total numbers of 429,300 shares options were exercised as at 22 November 2019.

ESOS options granted to eligible director is disclosed as below:

<b>Director</b>	<b>ESOS Options Offered (Units)</b>	<b>Exercised during the period (Units)</b>	<b>Outstanding (Units) As at 22 November 2019</b>
Tan Wei Neng	232,700	69,800	162,900

**Notes on the quarterly report – 30 September 2019**

**B7. Group Borrowings**

The Group’s borrowings as at 30 September 2019 were as follows:

	<b>Payable within 12 months</b>	<b>Payable after 12 Months</b>
<u>Secured</u>	<b>RM'000</b>	<b>RM'000</b>
Bank Borrowings	3,883	1,604
Hire Purchase Payables	372	301
Total Borrowings	4,255	1,905

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

	<b>Amount RM'000</b>
Malaysian Ringgit	4,150
Singaporean Dollar	1,981
Indonesian Rupiah	29
Total Borrowings	6,160

**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 was no dividend proposed or declared during the quarter under review save as disclosed in Note A8.



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**B10. Earnings per share**

**(a) Basic**

Basic earnings per share of the Group is calculated by dividing profit / (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the three months' period ended 30 September 2019 are computed as follow: -

	<b>3 Months Ended</b>	
	<b>30-Sep 2019</b>	<b>30-Sep 2018</b>
Profit / (Loss) attributable to Owners of the Company (RM'000)		
- From continuing operations	11,540	5,498
- From discontinued operations	(229)	119
	<u>11,311</u>	<u>5,617</u>
Weighted average number of STC Shares in issue ('000)	234,720	236,712
Basic earning per STC Share (sen)		
- From continuing operations	4.92	2.32
- From discontinued operations	(0.10)	0.05
	<u>4.82</u>	<u>2.37</u>





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**(b) Diluted**

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the current quarters been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	<b>3 Months Ended</b>	
	<b>30-Sep 2019</b>	<b>30-Sep 2018</b>
Profit / (Loss) attributable to Owners of the Company (RM'000)		
- From continuing operations	11,540	5,498
- From discontinued operations	(229)	119
	<u>11,311</u>	<u>5,617</u>
Weighted average number of STC Shares in issue ('000)	234,720	236,712
Adjusted for unexercised Employee's Share Option Scheme ('000)	237,260	N/A
Diluted earnings per STC Share (sen)		
- From continuing operations	4.86	N/A
- From discontinued operations	(0.10)	N/A
	<u>4.76</u>	<u>N/A</u>

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**B11. Notes to the Statement of Profit or Loss and Other Comprehensive Income / (Loss) :**

	<b>3 Months Ended</b>	
	<b>30-Sep 2019 RM'000</b>	<b>30-Sep 2018 RM'000</b>
<b>Other income / (loss)</b>		
Gain on disposal of property, plant and equipment	180	40
Gain on disposal of subsidiary company	6,090	-
Interest income	248	236
Other income	204	485
Reversal of impairment losses on trade receivables	-	8
Reversal of inventories written down	110	-
Fair value of ESOS option	(139)	-
Gain / (Loss) on foreign currency exchange	(956)	1,044
Interest expense	(558)	(896)
Depreciation	(2,635)	(2,645)

Save as disclosed above, the other items required under Paragraph 16, Part A of the Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

Tan Ah Bah @ Tan Ah Ping  
 Managing Director  
 29 November 2019