



**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 2020**

	<b>Current Quarter 30-Sep-20 RM'000</b>	<b>Comparative Quarter 30-Sep-19 RM'000</b>	<b>Cumulative 3 months</b>	
			<b>30-Sep-20 RM'000</b>	<b>30-Sep-19 RM'000</b>
<b>Revenue</b>	70,296	73,652	70,296	73,652
<b>Operating profit</b>	10,480	15,447	10,480	15,447
Interest expense	(98)	(558)	(98)	(558)
Interest income	251	248	251	248
<b>Profit before taxation</b>	10,633	15,137	10,633	15,137
Taxation	(3,569)	(2,632)	(3,569)	(2,632)
<b>Net Profit / (Loss) after taxation</b>				
- From continuing operations	7,064	12,897	7,064	12,897
- From discontinued operations	-	(392)	-	(392)
<b>Profit for the period</b>	7,064	12,505	7,064	12,505
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations	6,459	11,540	6,459	11,540
- From discontinued operations	-	(229)	-	(229)
	6,459	11,311	6,459	11,311
Non-controlling interests				
- From continuing operations	605	1,031	605	1,031
- From discontinued operations	-	163	-	163
	605	1,194	605	1,194
	7,064	12,505	7,064	12,505
<b>Earnings / (Loss) per share (sen) :</b>				
Basic	2.83	4.82	2.83	4.82
- From continuing operations	2.83	4.92	2.83	4.92
- From discontinued operations	-	(0.10)	-	(0.10)
Diluted	2.82	4.76	2.82	4.76
- From continuing operations	2.82	4.86	2.82	4.86
- From discontinued operations	-	(0.10)	-	(0.10)

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 2020 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 2020

	Current Quarter 30-Sep-20 RM'000	Comparative Quarter 30-Sep-19 RM'000	Cumulative 3 months	
			30-Sep-20 RM'000	30-Sep-19 RM'000
<b>Profit for the period</b>	7,064	12,505	7,064	12,505
<b>Other comprehensive income / (loss)</b>				
Currency translation differences for foreign operations	560	(862)	560	(862)
<b>Total comprehensive income for the period</b>	<u>7,624</u>	<u>11,643</u>	<u>7,624</u>	<u>11,643</u>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations	6,863	11,182	6,863	11,182
- From discontinued operations	-	(229)	-	(229)
	<u>6,863</u>	<u>10,953</u>	<u>6,863</u>	<u>10,953</u>
Non-controlling interests				
- From continuing operations	761	527	761	527
- From discontinued operations	-	163	-	163
	<u>761</u>	<u>690</u>	<u>761</u>	<u>690</u>
<b>Total comprehensive income for the period</b>	<u>7,624</u>	<u>11,643</u>	<u>7,624</u>	<u>11,643</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 2020 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 2020

	As at 30.09.2020 Unaudited RM'000	As at 30.06.2020 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,590	66,862
Investment properties	29,978	29,992
Right-of-use assets	10,919	10,635
Investment in associate company	352	349
Amount due from a related party	2,591	2,523
Deferred tax assets	588	618
<b>TOTAL NON-CURRENT ASSETS</b>	<b>110,018</b>	<b>110,979</b>
<b>Current assets</b>		
Inventories	86,304	103,447
Trade receivables	67,303	55,004
Other receivables, deposits and prepayments	3,770	7,133
Contract assets	667	1,084
Amount due from associates	793	1,067
Amount due from a related party	239	221
Tax recoverable	8,027	9,945
Short term investment	71,224	54,198
Cash and bank balances	24,058	30,528
<b>TOTAL CURRENT ASSETS</b>	<b>262,385</b>	<b>262,627</b>
<b>TOTAL ASSETS</b>	<b>372,403</b>	<b>373,606</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	72,112	72,018
Treasury shares	(14,465)	(13,649)
Reserves	263,168	256,261
	320,815	314,630
<b>NON-CONTROLLING INTERESTS</b>	<b>22,528</b>	<b>21,767</b>
<b>TOTAL EQUITY</b>	<b>343,343</b>	<b>336,397</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
Lease liabilities	194	238
Long term borrowings	1,208	1,309
Deferred tax liabilities	1,651	1,170
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,053</b>	<b>2,717</b>
<b>Current liabilities</b>		
Trade payables	11,417	18,065
Other payables and accruals	12,998	14,276
Lease liabilities	1,246	1,599
Short term borrowings	343	345
Current tax payable	3	207
<b>TOTAL CURRENT LIABILITIES</b>	<b>26,007</b>	<b>34,492</b>
<b>TOTAL LIABILITIES</b>	<b>29,060</b>	<b>37,209</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>372,403</b>	<b>373,606</b>
<b>Net assets per share attributable to owners of the parent (RM) *</b>	<b>1.40</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 2020 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 2020

	Current Year - To - date 30-Sep-20 RM'000	Preceding Year Corresponding Year 30-Sep-19 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation		
From continuing operations	10,633	15,529
From discontinued operations	-	(392)
	<u>10,633</u>	<u>15,137</u>
Adjustments for:		
Non-cash items	5,051	4,238
Non-operating items	(197)	(5,960)
	<u>15,487</u>	<u>13,415</u>
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	16,570	(267)
Trade and other receivables	(9,220)	(9,348)
Trade and other payables	(8,461)	(9,982)
	<u>14,376</u>	<u>(6,182)</u>
Cash generated from / (used in) operating activities		
Tax paid	(1,698)	(2,897)
Tax refund	322	7,954
Interest paid	(98)	(558)
Interest received	251	248
	<u>13,153</u>	<u>(1,435)</u>
<b>Net cash generated from / (used in) operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment ("PPE")	(1,232)	(1,192)
Purchase of right-of-use assets	(59)	-
Proceeds from disposal of PPE	44	241
Increase of investment in subsidiary	-	(388)
Net cash inflow from disposal of subsidiary company	-	27,090
	<u>(1,247)</u>	<u>25,751</u>
<b>Net cash (used in) / generated from investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in fixed deposit pledged	-	109
Repayment of lease liabilities	(400)	(44)
Repayment of bank borrowings and hire purchase payables	(85)	(742)
Net movement in trade bills	-	(1,308)
Drawdown from bank borrowings	-	2,000
Proceeds from issuance of new shares	72	173
Purchase of treasury shares	(816)	-
	<u>(1,229)</u>	<u>188</u>
<b>Net cash (used in) / generated from financing activities</b>		
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	10,677	24,504
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	84,559	54,246
<b>EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD</b>	(121)	(50)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>95,115</u>	<u>78,700</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 2020 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 2020

	Current Year - To - date 30-Sep-20 RM'000	Preceding Year Corresponding Year 30-Sep-19 RM'000
<b>Cash and cash equivalents at end of the period comprises:</b>		
Cash & bank Balances	23,891	51,304
Deposits with licensed banks	167	866
	<u>24,058</u>	<u>52,170</u>
Add : Short term investment	71,224	26,546
Less : Non-cash & cash equivalent		
-Fixed deposit pledge for banking facilities	(167)	(16)
	<u>95,115</u>	<u>78,700</u>

	Current Year - To - date 30-Sep-20 RM'000	Preceding Year Corresponding Year 30-Sep-19 RM'000
<b>Disposal of subsidiary company</b>		
The disposal had the following effect on the financial position of the Group:		
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	-	19,501
Non-Controlling Interest	-	(6,742)
Share of net assets disposed as at 31/08/2019	-	12,759
Goodwill	-	6,921
Carrying amount of net assets disposed	-	19,680
Gain on disposal	-	6,090
Disposal proceed	-	25,770
Less : Cash and bank balances	-	(557)
Less : Bank overdraft	-	1,877
Net cash inflow from disposal of subsidiary	-	27,090

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 2020 with the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	← Non-distributable →					Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Employees Share Option Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>Current year-to-date ended 30 September 2020</b>									
<b>As at 1 July 2020</b>	72,018	(13,649)	787	3,474	14,288	237,712	314,630	21,767	336,397
Profit for the period	-	-	-	-	-	6,459	6,459	605	7,064
Other comprehensive income - Foreign currency translation differences	-	-	-	404	-	-	404	156	560
<b>Total comprehensive income for the period</b>	-	-	-	404	-	6,459	6,863	761	7,624
<b>Contributions by and distributions to owners of the Company :</b>									
Employees' share option granted	-	-	66	-	-	-	66	-	66
Employees' share option exercised	94	-	(22)	-	-	-	72	-	72
Purchase of treasury shares	-	(816)	-	-	-	-	(816)	-	(816)
<b>Total transactions with owners of the Company</b>	94	(816)	44	-	-	-	(678)	-	(678)
<b>As at 30 September 2020</b>	<b>72,112</b>	<b>(14,465)</b>	<b>831</b>	<b>3,878</b>	<b>14,288</b>	<b>244,171</b>	<b>320,815</b>	<b>22,528</b>	<b>343,343</b>



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	← Non-distributable →					Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Employees Share Option Reserve RM'001	Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>Preceding year corresponding period 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 period	-	-	-	-	-	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>									
Dividend payable by the Company	-	-	-	-	-	(13,390)	(13,390)	-	(13,390)
Disposal of a subsidiary	-	-	-	-	-	-	-	(6,742)	(6,742)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(514)	(514)	549	35
Employees' share option granted	-	-	139	-	-	-	139	-	139
Employees' share option exercised	196	-	(24)	-	-	-	172	-	172
Transfer of share premium to share capital (Pursuant to Section 618(8) and (9) Companies Act 2016)	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	196	-	115	-	-	(13,904)	(13,593)	(6,193)	(19,786)
<b>As at 30 September 2019</b>	<b>71,711</b>	<b>(9,880)</b>	<b>572</b>	<b>2,568</b>	<b>7,790</b>	<b>245,375</b>	<b>318,136</b>	<b>22,724</b>	<b>340,860</b>

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 2020 with the accompanying explanatory notes attached to these interim financial statements.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 30 September 2020**

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

**A1. Basis of Preparation**

These condensed consolidated financial statements, for the year ended 30 June 2021, 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 financial year ended (“FYE”) 30 June 2020.

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 2020.

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

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.





**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 30 September 2020**

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)**

<b><u>Standard issued but not effective</u></b>		<b><u>Effective date</u></b>
Amendments to MFRS 3	: Definition of a Business	1 January 2020
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 101 and MFRS 108	: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendments to MFRS 16	: COVID -19 – Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS7	: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS7, MFRS4 and MFRS 16	: Interest Rate Benchmark Reform – Phase 2	1 January 2021
MFRS 17	: Insurance Contracts	1 January 2023

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 2020**

**A3. Qualification of Annual Financial Statements**

The latest audited consolidated financial statements of STC for the FYE 30 June 2020 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 2020.

**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 2020, save as disclosed in Note 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 financial year under review.

a) Share Buy Back

During the FPE 30 September 2020, the Company repurchased 1,401,200 units of its issued share capital from the open market at average cost of RM0.5828 per ordinary share in STC (“STC Share(s)”). The total consideration paid for the share buy-back of STC Shares during the three months’ period ended 30 September 2020 including transaction costs was RM816,554.50 and was financed by internally generated funds. The STC Shares repurchased are being held as treasury shares in accordance with Section 127 Subsection 4(b) of the Companies Act 2016.

As at 30 September 2020, the number of treasury shares held was 21,251,154 STC Shares at an average cost of RM0.6807 per STC Share out of its 249,877,500 STC shares.

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

During the FPE 30 September 2020, a total number of 134,400 ordinary shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 249,877,500 ordinary shares as at 30 September 2020.



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**Notes on the quarterly report – 30 September 2020**

**A8. Dividend Paid**

There was no dividend declared or paid during the current quarter under review.

In the previous year corresponding FPE 30 September 2019, the Company declared an interim tax-exempt single-tier dividend of RM0.022 per ordinary share and a special tax-exempt single-tier dividend of RM0.035 per ordinary shares on 234,904,146 ordinary shares in respect of the FYE 30 June 2020 amounting to a total of RM13,389,535 and paid on 7 October 2019 to shareholders whose name appeared in the Company’s record of depositors on 30 September 2019.



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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Notes on the quarterly report – 30 September 2020

A9. Segment Information

**Business Segments Revenue & Results**

Quarter Ended 30 September 2020	Transformer, lighting and related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
<b>REVENUE</b>				
External Sales	70,296	-	-	70,296
Inter-segment sales	-	-	-	-
Total Revenue	<u>70,296</u>	<u>-</u>	<u>-</u>	<u>70,296</u>
<b>RESULTS</b>				
Segment results				10,873
Unallocated corporate expenses				(393)
Finance cost				(98)
Interest income				251
Profit before taxation				<u>10,633</u>
Taxation				<u>(3,569)</u>
<b>Net profit for the period</b>				
- From continuing operations				7,064
- From discontinued operations				-
<b>Profit for the period</b>				<u><u>7,064</u></u>
<b>Profit attributable to :</b>				
Owners of the Company				
- From continuing operations				6,459
- From discontinued operations				-
				<u>6,459</u>
Non-controlling interests				
- From continuing operations				605
- From discontinued operations				-
				<u>605</u>
				<u><u>7,064</u></u>
<b>Comprehensive income for the period :</b>				
Profit for the period				7,064
Other comprehensive income				560
<b>Total comprehensive income for the period</b>				<u><u>7,624</u></u>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company				
- From continuing operations				6,863
- From discontinued operations				-
				<u>6,863</u>
Non-controlling interests				
- From continuing operations				761
- From discontinued operations				-
				<u>761</u>
<b>Total comprehensive income for the period</b>				<u><u>7,624</u></u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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Notes on the quarterly report – 30 September 2020

Quarter Ended 30 September 2019	Transformer, lighting and related products RM'000	Process equipment RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>				
External Sales	66,594	7,058	-	73,652
Inter-segment sales	-	-	-	-
Total Revenue	<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 / (loss) for the period</b>				
- From continuing operations				12,897
- From discontinued operations				<u>(392)</u>
<b>Profit for the period</b>				<u>12,505</u>
<b>Profit / (Loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,540
- From discontinued operations				<u>(229)</u>
				11,311
Non-controlling interests				
- From continuing operations				1,031
- From discontinued operations				<u>163</u>
				1,194
				<u>12,505</u>
<b>Comprehensive income / (loss) for the period :</b>				
Profit for the period				12,505
Other comprehensive expense				<u>(862)</u>
<b>Total comprehensive income for the period</b>				<u>11,643</u>
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company				
- From continuing operations				11,182
- From discontinued operations				<u>(229)</u>
				10,953
Non-controlling interests				
- From continuing operations				527
- From discontinued operations				<u>163</u>
				690
<b>Total comprehensive income for the period</b>				<u>11,643</u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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Notes on the quarterly report – 30 September 2020

A9. Segment Information - (Cont’d)

**Geographical Segments Revenue & Results**

Quarter Ended 30 September 2020	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
<b>REVENUE</b>				
External Sales	43,415	26,881	-	70,296
Inter-segment sales	-	5,645	(5,645)	-
Total Revenue	43,415	32,526	(5,645)	70,296
<b>RESULTS</b>				
Segment results				10,873
Unallocated corporate expenses				(393)
Finance cost				(98)
Interest income				251
Profit before taxation				10,633
Taxation				(3,569)
<b>Net profit for the period</b>				
- From continuing operations				7,064
- From discontinued operations				-
<b>Profit for the period</b>				7,064
<b>Profit attributable to :</b>				
Owners of the Company				
- From continuing operations				6,459
- From discontinued operations				-
				6,459
Non-controlling interests				
- From continuing operations				605
- From discontinued operations				-
				605
				7,064
<b>Comprehensive income for the period :</b>				
Profit for the period				7,064
Other comprehensive income				560
<b>Total comprehensive profit for the period</b>				7,624
<b>Total comprehensive income attributable to :</b>				
Owners of the Company				
- From continuing operations				6,863
- From discontinued operations				-
				6,863
Non-controlling interests				
- From continuing operations				761
- From discontinued operations				-
				761
<b>Total comprehensive profit for the period</b>				7,624



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<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	40,551	33,101	-	73,652
Inter-segment sales	-	6,001	(6,001)	-
<b>Total Revenue</b>	<b>40,551</b>	<b>39,102</b>	<b>(6,001)</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 / (loss) for the period</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 /(loss) for the period :</b>				
Profit for the period				12,505
Other comprehensive loss				(862)
<b>Total comprehensive income 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 for the period</b>				<b>11,643</b>



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**A10. Valuation of Property, Plant & Equipment**

There was no revaluation 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 2020.

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

There were no material events subsequent to the FPE 30 September 2020.

**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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**A15. Discontinued operation**

Seremban Engineering Berhad (“SEB”) has ceased to be a subsidiary company of STC subsequent to the disposal of 52,000,000 ordinary shares in SEB by STC, representing 65% of the entire equity interest in SEB with effect from 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-20 to 30-Sep-20 3 months RM'000</b>	<b>1-July-19 to 31-Aug-19 2 months RM'000</b>
Revenue	-	7,058
Other income	-	94
Operating expenses	-	(7,544)
Operating (loss) before tax	-	(392)
Taxation	-	-
Net (loss) after tax	-	(392)
Cash flow ( used in ) / from discontinued operations		
Operating activities	-	(4,251)
Investing activities	-	-
Financing activities	-	1,091
Net cash flows	-	(3,160)



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

**B1. Review of Performance**

	<u>3 Months Period Ended</u>		<u>Changes</u>
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	<u>(%)</u>
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	<b>70,296</b>	<b>73,652</b>	-5%
- From continuing operations	70,296	66,594	6%
- From discontinued operations	-	7,058	N/A
Profit before tax	10,633	15,137	-30%
Taxation	(3,569)	(2,632)	36%
Net profit / (loss) after tax	<b>7,064</b>	<b>12,505</b>	-44%
- From continuing operations	7,064	12,897	-45%
- From discontinued operations	-	(392)	N/A
<b>Profit / (Loss) attributable to Owners of the Company :</b>	<b>6,459</b>	<b>11,311</b>	-43%
- From continuing operations	6,459	11,540	-44%
- From discontinued operations	-	(229)	N/A

**Current quarter review**

The Group recorded a revenue of RM70.30 million for the current quarter ended 30 September 2020 as compared to RM73.65 million in the previous year corresponding quarter, showing a decrease of RM3.35 million or approximately 5%. The decrease of revenue was mainly due to the Discontinued operation of the process equipment segment as a result of the disposal on 3 September 2019 (“Disposal”) despite increase in sales from transformer and lighting segment which mainly due to increase in sales in local market.

Profit after tax (“PAT”) attributable to owners of the Company from continuing operations of RM6.46 million for the current quarter ended 30 September 2020 as compared to RM11.54 million in the previous year corresponding quarter, showing a decrease of RM5.08 million or approximately 44%. This was mainly due to one-off gain on the Disposal amounting to RM6.09 million in the previous year corresponding quarter.

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-20 RM'000</b>	<b>Preceding Quarter 30-Jun-20 RM'000</b>	<b>Changes (%)</b>
Revenue	70,296	44,209	59
Profit before tax	10,633	2,022	426
Taxation	(3,569)	(1,119)	-219
Net profit after tax	<b>7,064</b>	<b>903</b>	682
- From continuing operations	7,064	903	682
- From discontinued operations	-	-	
<b>Profit attributable to Owners of the Company :</b>			
	<b>6,459</b>	<b>397</b>	1,527
- From continuing operations	6,459	397	1,527
- From discontinued operations	-	-	

The Group recorded a revenue of RM70.30 million and PAT attributable to owners of the Company of RM6.46 million for the current quarter ended September 2020, compared to revenue of RM44.21 million and PAT attributable to owners of the Company of RM0.40 million in the preceding quarter, showing an increase of RM26.09 million or 59% and RM6.06 million or 1515% respectively.

The increase of revenue and PAT attributable to owners of the Company was mainly due to improve sales recorded by transformer and lighting segment in both local and overseas market, especially from local market. The lower sales recorded in preceding quarter is due to Government Movement Control Order which started on 18 March 2020.

**B3. Prospects**

The Covid-19 pandemic has continuously resulted in high uncertainties in the global and domestic economy. However, Bank Negara Malaysia is forecasting a growth range of between 5.5% to 8.0% for year 2021, underpinned by improvements in external conditions and a gradual normalisation in economic activities and labour market conditions.

Nevertheless, the Group is leveraging on its strong track record, extensive customer networking and wider range of products by expanding and penetrating both existing and new markets. In addition, the Group is constantly and continually putting its efforts in research and development activities for enhancing and upgrading existing products and developing new product range.

Barring any unforeseen circumstances, the Group expects the performance for the financial year ending 30 June 2021 to be satisfactory.



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**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 2020.

**B5. Tax Expense**

	<b>3 Months Ended</b>	
	<b>30-Sep-2020</b>	<b>30-Sep-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	3,087	2,312
Deferred tax	482	320
Total	<u>3,569</u>	<u>2,632</u>

The effective tax rate for the current quarter and cumulative quarter is higher than statutory tax rate was mainly due to adding back of non-allowable expenses and loss incurred in subsidiaries.



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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.

ESOS

The Company's ESOS of up to 15% of the total number of issued shares of STC (excluding treasury shares) for the eligible employees and executive directors of the Group (excluding dormant subsidiary companies) was approved by the shareholders of STC at the extraordinary general meeting convened on 2 July 2018. The effective date for the implementation of the ESOS was 3 July 2018 and the ESOS shall be for a duration of 5 years commencing from the effective date.

A total of 7,102,200 ESOS options were offered to the eligible employees and an executive director of the Group at RM0.54 on 16 November 2018 and a total number of 6,771,200 ESOS options were accepted by the eligible employees and executive director 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

As at 24 November 2020, a total number of 1,379,300 ESOS options were exercised.

Details of the ESOS options granted to eligible director are disclosed as below:

<b>Director</b>	<b>ESOS Options Offered (Units)</b>	<b>Exercised during the period (Units)</b>	<b>Outstanding (Units) As at 24 November 2020</b>
Tan Wei Neng	232,700	69,800	162,900



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**B7. Group Borrowings**

The Group’s borrowings as at 30 September 2020 were as follows:

	<b>Payable within 12 months RM'000</b>	<b>Payable after 12 Months RM'000</b>
<u>Secured</u>		
Bank Borrowings	343	1,208
Total Borrowings	<u>343</u>	<u>1,208</u>

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

	<b>Amount RM'000</b>
Singaporean Dollar	1,551
Total Borrowings	<u>1,551</u>

**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 Dividend**

On 11 November 2020, the Company declared an interim tax-exempt single-tier dividend of RM0.01 per ordinary shares on 227,970,346 ordinary shares in respect of the financial year ending 30 June 2021 amounting to RM 2,279,703 and payable on 7 December 2020 to shareholders whose names appeared in Company’s record of depositors on 26 November 2020.



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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 three months' period ended 30 September 2020 are computed as follow: -

	3 Months Ended	
	30-Sep 2020	30-Sep 2019
Profit / (Loss) attributable to Owners of the Company (RM'000)		
- From continuing operations	6,459	11,540
- From discontinued operations	-	(229)
	<u>6,459</u>	<u>11,311</u>
Weighted average number of STC Shares in issue (‘000)	228,648	234,720
Basic earnings / (loss) per STC Share (sen)		
- From continuing operations	2.83	4.92
- From discontinued operations	-	(0.10)
	<u>2.83</u>	<u>4.82</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 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	<b>3 Months Ended</b>	
	<b>30-Sep 2020</b>	<b>30-Sep 2019</b>
Profit / (Loss) attributable to Owners of the Company (RM'000)		
- From continuing operations	6,459	11,540
- From discontinued operations	-	(229)
	<u>6,459</u>	<u>11,311</u>
Weighted average number of STC Shares in issue ('000)	228,648	234,720
Adjusted for unexercised Employees Share Option Scheme ('000)	228,947	237,260
Diluted earnings / (loss) per STC Share (sen)		
- From continuing operations	2.82	4.86
- From discontinued operations	-	(0.10)
	<u>2.82</u>	<u>4.76</u>





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

	3 Months Ended	
	30-Sep 2020 RM'000	30-Sep 2019 RM'000
<b>Other income / (loss)</b>		
Gain on disposal of property, plant and equipment	44	180
Gain on disposal of subsidiary company	-	6,090
Interest income	251	248
Other income	221	204
Reversal of allowance for impairment loss of inventories	-	110
Reversal of allowance for impairment losses on trade receivables	3	-
Interest expense	(98)	(558)
Allowance of impairment losses on trade receivables	(193)	-
Fair value of ESOS option	(66)	(139)
Loss on foreign currency exchange	(1,871)	(956)
Property, plant and equipment written off	(60)	-
Write down of inventories	(574)	-
Depreciation	(2,657)	(2,635)

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  
24 November 2020