



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

	Current Quarter 31-Mar-21 RM'000	Comparative Quarter 30-Mar-20 RM'000	Cumulative 9 months	
			31-Mar-21 RM'000	30-Mar-20 RM'000
Revenue	49,960	47,537	183,990	185,903
Operating profit / (loss)	5,953	(2,210)	24,415	16,702
Interest expense	(66)	(113)	(243)	(807)
Interest income	383	203	996	799
Profit / (Loss) before taxation	6,270	(2,120)	25,168	16,694
Taxation	(1,716)	(292)	(6,842)	(4,313)
Net Profit / (Loss) after taxation				
- From continuing operations	4,554	(2,412)	18,326	12,773
- From discontinued operations	-	-	-	(392)
Profit / (Loss) for the period	4,554	(2,412)	18,326	12,381
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations	4,341	(3,240)	17,119	9,973
- From discontinued operations	-	-	-	(229)
	4,341	(3,240)	17,119	9,744
Non-controlling interests				
- From continuing operations	213	828	1,207	2,800
- From discontinued operations	-	-	-	(163)
	213	828	1,207	2,637
	4,554	(2,412)	18,326	12,381
Earnings / (Loss) per share (sen) :				
Basic	1.90	(1.38)	7.50	4.15
- From continuing operations	1.90	(1.38)	7.50	4.25
- From discontinued operations	-	-	-	(0.10)
Diluted	1.89	(1.37)	7.48	4.11
- From continuing operations	1.89	(1.37)	7.48	4.21
- From discontinued operations	-	-	-	(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 31 MARCH 2021

	Current Quarter 31-Mar-21 RM'000	Comparative Quarter 30-Mar-20 RM'000	Cumulative 9 months	
			31-Mar-21 RM'000	30-Mar-20 RM'000
Profit / (Loss) for the period	4,554	(2,412)	18,326	12,381
Other comprehensive income				
Currency translation differences for foreign operations	591	2,137	2,008	938
Total comprehensive income / (loss) for the period	<u>5,145</u>	<u>(275)</u>	<u>20,334</u>	<u>13,319</u>
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations	4,984	(1,365)	18,391	11,116
- From discontinued operations	-	-	-	(229)
	<u>4,984</u>	<u>(1,365)</u>	<u>18,391</u>	<u>10,887</u>
Non-controlling interests				
- From continuing operations	161	1,090	1,943	2,595
- From discontinued operations	-	-	-	(163)
	<u>161</u>	<u>1,090</u>	<u>1,943</u>	<u>2,432</u>
Total comprehensive income / (loss) for the period	<u>5,145</u>	<u>(275)</u>	<u>20,334</u>	<u>13,319</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 31 MARCH 2021

	As at 31.03.2021 Unaudited RM'000	As at 30.06.2020 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,038	66,862
Investment properties	29,009	29,992
Right-of-use assets	9,237	10,635
Investment in associate company	365	349
Amount due from a related party	2,430	2,523
Deferred tax assets	604	618
TOTAL NON-CURRENT ASSETS	106,683	110,979
Current assets		
Inventories	80,387	103,447
Trade receivables	60,186	55,004
Other receivables, deposits and prepayments	5,174	7,133
Contract assets	974	1,084
Amount due from associates	932	1,067
Amount due from a related party	208	221
Tax recoverable	7,225	9,945
Short term investment	93,522	54,198
Cash and bank balances	24,972	30,528
TOTAL CURRENT ASSETS	273,580	262,627
TOTAL ASSETS	380,263	373,606
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	72,627	72,018
Treasury shares	(15,201)	(13,649)
Reserves	271,766	256,261
	329,192	314,630
NON-CONTROLLING INTERESTS	23,610	21,767
TOTAL EQUITY	352,802	336,397
LIABILITIES		
Non-Current liabilities		
Lease liabilities	121	238
Long term borrowings	1,051	1,309
Deferred tax liabilities	1,726	1,170
TOTAL NON-CURRENT LIABILITIES	2,898	2,717
Current liabilities		
Trade payables	13,919	18,065
Other payables and accruals	9,741	14,276
Lease liabilities	415	1,599
Short term borrowings	353	345
Current tax payable	135	207
TOTAL CURRENT LIABILITIES	24,563	34,492
TOTAL LIABILITIES	27,461	37,209
TOTAL EQUITY AND LIABILITIES	380,263	373,606
Net assets per share attributable to owners of the parent (RM) *	1.44	1.37

* 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 31 MARCH 2021

	Current Year - To - date 31-Mar-21 RM'000	Preceding Year Corresponding Year 31-Mar-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation		
From continuing operations	25,168	17,086
From discontinued operations	-	(392)
	<u>25,168</u>	<u>16,694</u>
Adjustments for:		
Non-cash items	7,123	9,926
Non-operating items	(986)	(6,125)
	<u>31,305</u>	<u>20,495</u>
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	24,224	11,479
Trade and other receivables	(3,260)	5,773
Trade and other payables	(9,194)	(10,208)
	<u>43,075</u>	<u>27,539</u>
Cash generated from operating activities		
Tax paid	(3,958)	(8,628)
Tax refund	310	7,962
Interest paid	(243)	(807)
Interest received	996	799
	<u>40,180</u>	<u>26,865</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment ("PPE")	(3,268)	(4,154)
Purchase of right-of-use assets	(59)	-
Proceeds from disposal of PPE	43	243
Proceeds from disposal of investment property	1,019	-
Payment for capital reduction	-	(280)
Increase of investment in subsidiary	-	(388)
Net cash inflow from disposal of subsidiary company	-	27,090
	<u>(2,265)</u>	<u>22,511</u>
Net cash (used in) / generated from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposit pledged	150	109
Repayment of lease liabilities	(1,306)	(150)
Repayment of bank borrowings and hire purchase payables	(257)	(6,410)
Net movement in trade bills	-	(1,568)
Drawdown from bank borrowings	-	4,000
Proceeds from issuance of new shares	449	403
Purchase of treasury shares	(1,552)	(3,655)
Dividend paid by the Company	(2,280)	(13,390)
Dividend paid by subsidiary to non-controlling interests	(100)	-
	<u>(4,896)</u>	<u>(20,661)</u>
Net cash used in financing activities		
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>33,019</u>	<u>28,715</u>
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>84,559</u>	<u>54,246</u>
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	<u>899</u>	<u>1,850</u>
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>118,477</u></u>	<u><u>84,811</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 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 31 MARCH 2021

	Current Year - To - date 31-Mar-21 RM'000	Preceding Year Corresponding Year 30-Mar-20 RM'000
Cash and cash equivalents at end of the period comprises:		
Cash & bank Balances	24,805	43,026
Deposits with licensed banks	167	167
	<u>24,972</u>	<u>43,193</u>
Add : Short term investment	93,522	41,635
Less : Non-cash & cash equivalent		
-Fixed deposit pledge for banking facilities	(17)	(17)
	<u>118,477</u>	<u>84,811</u>

	Current Year - To - date 31-Mar-21 RM'000	Preceding Year Corresponding Year 31-Mar-20 RM'000
Disposal of subsidiary company		
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 31 MARCH 2021

	← 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
Current year-to-date ended 31 March 2021									
As at 1 July 2020	72,018	(13,649)	787	3,474	14,288	237,712	314,630	21,767	336,397
Profit for the period	-	-	-	-	-	17,119	17,119	1,207	18,326
Other comprehensive income - Foreign currency translation differences	-	-	-	1,272	-	-	1,272	736	2,008
Total comprehensive income for the period	-	-	-	1,272	-	17,119	18,391	1,943	20,334
Contributions by and distributions to owners of the Company :									
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(577)	(577)	-	(577)
Dividends paid									
- by the Company	-	-	-	-	-	(2,280)	(2,280)	-	(2,280)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(100)	(100)
Employees' share option exercised	609	-	(160)	-	-	-	449	-	449
Employees' share option granted	-	-	131	-	-	-	131	-	131
Purchase of treasury shares	-	(1,552)	-	-	-	-	(1,552)	-	(1,552)
Total transactions with owners of the Company	609	(1,552)	(29)	-	-	(2,857)	(3,829)	(100)	(3,929)
As at 31 March 2021	72,627	(15,201)	758	4,746	14,288	251,974	329,192	23,610	352,802



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	← 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
Preceding year corresponding period ended 31 March 2020									
As at 1 July 2019	71,515	(9,880)	457	2,926	7,790	247,968	320,776	28,227	349,003
Profit for the period	-	-	-	-	-	9,744	9,744	2,637	12,381
Other comprehensive income - Foreign currency translation differences	-	-	-	1,143	-	-	1,143	(205)	938
Total comprehensive income for the period	-	-	-	1,143	-	9,744	10,887	2,432	13,319
Contributions by and distributions to owners of the Company :									
Capital reduction by a subsidiary							-	(280)	(280)
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(516)	(516)	548	32
Disposal of a subsidiary	-	-	-	-	-	-	-	(6,742)	(6,742)
Dividend paid by subsidiary to non-controlling interests	-	-	-	-	-	(13,390)	(13,390)	-	(13,390)
Employees' share option exercised	473	-	(71)	-	-	-	402	-	402
Employees' share option granted	-	-	343	-	-	-	343	-	343
Purchase of treasury shares	-	(3,655)	-	-	-	-	(3,655)	-	(3,655)
Total transactions with owners of the Company	473	(3,655)	272	-	-	(13,906)	(16,816)	(6,474)	(23,290)
At 31 March 2020	71,988	(13,535)	729	4,069	7,790	243,806	314,847	24,185	339,032

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.



Notes on the quarterly report – 31 March 2021

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 31 March 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 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.

The Group has not adopted the accounting pronouncements for this interim financial report that do not have any significant impact to the Group :-

<u>Standard issued but not adopted</u>			<u>Effective date</u>
Amendments to MFRS 3	:	Definition of a Business	1 January 2020
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 9 MFRS 139, MFRS 7	:	Interest Rate Benchmark Reform	1 January 2020



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

The Group has not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the 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>		<u>Effective date</u>
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 16	: COVID -19 – Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	: Interest Rate Benchmark Reform – Phase 2	1 January 2021
MFRS 17 and Amendments to MFRS 17 Insurance Contracts	: Insurance Contracts	1 January 2023
Amendments to MFRS 101	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	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 – 31 March 2021

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”) 31 March 2021.

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

There were no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the FPE 31 March 2021, 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 period under review.

a) Share Buy Back

During the FPE 31 March 2021, the Company repurchased 2,621,400 units of its issued share capital from the open market at average cost of RM0.5922 per ordinary share in STC (“**STC Share(s)**”). The total consideration paid for the share buy-back of STC Shares during the nine months’ period ended 31 March 2021 including transaction costs was RM1,552,437 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 31 March 2021, the number of treasury shares held was 22,471,354 STC Shares at an average cost of RM0.6765 per STC Share out of its 250,575,700 STC Shares.

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

During the FPE 31 March 2021, a total number of 832,600 ordinary shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 250,575,700 ordinary shares as at 31 March 2021.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

A8. Dividend Paid

On 11 November 2020, the Company declared a 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 RM2,279,703 and paid on 7 December 2020 to shareholders whose names appeared in Company’s record of depositors on 26 November 2020.

In the previous year corresponding FPE 31 March 2020, the Company declared an interim tax-exempt single-tier dividend of RM0.022 per ordinary shares and a special tax-exempt single-tier dividend of RM0.035 per ordinary share on 234,904,146 ordinary shares in respect of the FYE 30 June 2020 amounting to a total of RM13,389,535, which was paid on 7 October 2019 to shareholders whose name appeared in Company’s record of depository on 30 September 2019.



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

A9. Segment Information

Business Segments Revenue & Results

Quarter Ended 31 March 2021	Transformer, lighting and related products RM'000	Process equipment RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	49,960	-	-	49,960
Inter-segment sales	-	-	-	-
Total Revenue	49,960	-	-	49,960
RESULTS				
Segment results				7,004
Unallocated corporate expenses				(1,051)
Finance cost				(66)
Interest income				383
Profit before taxation				6,270
Taxation				(1,716)
Net profit for the period				
- From continuing operations				4,554
- From discontinued operations				-
Profit for the period				4,554
Profit attributable to :				
Owners of the Company				
- From continuing operations				4,341
- From discontinued operations				-
Non-controlling interests				4,341
- From continuing operations				213
- From discontinued operations				-
Comprehensive income for the period :				
Profit for the period				4,554
Other comprehensive income				591
Total comprehensive income for the period				5,145
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				4,984
- From discontinued operations				-
Non-controlling interests				4,984
- From continuing operations				161
- From discontinued operations				-
Total comprehensive income for the period				5,145



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

Nine Months Ended 31 March 2021	Transformer, lighting and related products	Process equipment	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External Sales	183,990	-	-	183,990
Inter-segment sales	-	-	-	-
Total Revenue	<u>183,990</u>	<u>-</u>	<u>-</u>	<u>183,990</u>
RESULTS				
Segment results				26,659
Unallocated corporate expenses				(2,244)
Finance cost				(243)
Interest income				<u>996</u>
Profit before taxation				25,168
Taxation				<u>(6,842)</u>
Net profit for the period				
- From continuing operations				18,326
- From discontinued operations				-
Profit for the period				<u>18,326</u>
Profit attributable to :				
Owners of the Company				
- From continuing operations				17,119
- From discontinued operations				-
				<u>17,119</u>
Non-controlling interests				
- From continuing operations				1,207
- From discontinued operations				-
				<u>1,207</u>
				<u>18,326</u>
Comprehensive income for the period :				
Profit for the period				18,326
Other comprehensive income				<u>2,008</u>
Total comprehensive income for the period				<u>20,334</u>
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				18,391
- From discontinued operations				-
				<u>18,391</u>
Non-controlling interests				
- From continuing operations				1,943
- From discontinued operations				-
				<u>1,943</u>
Total comprehensive income for the period				<u>20,334</u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

Quarter Ended 31 March 2020	Transformer, lighting and related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	47,537	-	-	47,537
Inter-segment sales	-	-	-	-
Total Revenue	47,537	-	-	47,537
RESULTS				
Segment results				(1,353)
Unallocated corporate expenses				(857)
Finance cost				(113)
Interest income				203
Profit before taxation				(2,120)
Taxation				(292)
Net profit for the period				(2,412)
- From continuing operations				(2,412)
- From discontinued operations				-
Profit for the period				(2,412)
Profit attributable to :				
Owners of the Company				
- From continuing operations				(3,240)
- From discontinued operations				-
				(3,240)
Non-controlling interests				
- From continuing operations				828
- From discontinued operations				-
				828
				(2,412)
Comprehensive income / (loss) for the period :				
Profit for the period				(2,412)
Other comprehensive expense				2,137
Total comprehensive income for the period				(275)
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				(1,365)
- From discontinued operations				-
				(1,365)
Non-controlling interests				
- From continuing operations				1,090
- From discontinued operations				-
				1,090
Total comprehensive income for the period				(275)



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 March 2021

Nine Months Ended 31 March 2020	Transformer, lighting and related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	178,845	7,058	-	185,903
Inter-segment sales	-	-	-	-
Total Revenue	<u>178,845</u>	<u>7,058</u>	<u>-</u>	<u>185,903</u>
RESULTS				
Segment results				18,697
Unallocated corporate expenses				(1,995)
Finance cost				(807)
Interest income				799
Profit before taxation				<u>16,694</u>
Taxation				<u>(4,313)</u>
Net profit / (loss) for the period				
- From continuing operations				12,773
- From discontinued operations				<u>(392)</u>
Profit for the period				<u>12,381</u>
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations				9,973
- From discontinued operations				<u>(229)</u>
				9,744
Non-controlling interests				
- From continuing operations				2,800
- From discontinued operations				<u>(163)</u>
				2,637
				<u>12,381</u>
Comprehensive income / (loss) for the period :				
Profit for the period				12,381
Other comprehensive expense				938
Total comprehensive income for the period				<u>13,319</u>
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations				11,116
- From discontinued operations				<u>(229)</u>
				10,887
Non-controlling interests				
- From continuing operations				2,595
- From discontinued operations				<u>(163)</u>
				2,432
Total comprehensive income for the period				<u>13,319</u>



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A9. Segment Information - (Cont’d)

Geographical Segments Revenue & Results

Quarter Ended 31 March 2021	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	24,763	25,197	-	49,960
Inter-segment sales	-	8,405	(8,405)	-
Total Revenue	24,763	33,602	(8,405)	49,960
RESULTS				
Segment results				7,004
Unallocated corporate expenses				(1,051)
Finance cost				(66)
Interest income				383
Profit before taxation				6,270
Taxation				(1,716)
Net profit for the period				4,554
- From continuing operations				4,554
- From discontinued operations				-
Profit for the period				4,554
Profit attributable to :				
Owners of the Company				
- From continuing operations				4,341
- From discontinued operations				-
				4,341
Non-controlling interests				
- From continuing operations				213
- From discontinued operations				-
				213
				4,554
Comprehensive income for the period :				
Profit for the period				4,554
Other comprehensive expense				591
Total comprehensive income for the period				5,145
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				4,984
- From discontinued operations				-
				4,984
Non-controlling interests				
- From continuing operations				161
- From discontinued operations				-
				161
Total comprehensive income for the period				5,145



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Nine Months Ended 31 March 2021	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	103,858	80,132	-	183,990
Inter-segment sales	-	19,573	(19,573)	-
Total Revenue	<u>103,858</u>	<u>99,705</u>	<u>(19,573)</u>	<u>183,990</u>
RESULTS				
Segment results				26,659
Unallocated corporate expenses				(2,244)
Finance cost				(243)
Interest income				<u>996</u>
Profit before taxation				25,168
Taxation				<u>(6,842)</u>
Net profit for the period				
- From continuing operations				18,326
- From discontinued operations				<u>-</u>
Profit for the period				<u>18,326</u>
Profit attributable to :				
Owners of the Company				
- From continuing operations				17,119
- From discontinued operations				<u>-</u>
				17,119
Non-controlling interests				
- From continuing operations				1,207
- From discontinued operations				<u>-</u>
				1,207
				<u>18,326</u>
Comprehensive income for the period :				
Profit for the period				18,326
Other comprehensive expense				<u>2,008</u>
Total comprehensive income for the period				<u>20,334</u>
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				18,391
- From discontinued operations				<u>-</u>
				18,391
Non-controlling interests				
- From continuing operations				1,943
- From discontinued operations				<u>-</u>
				1,943
Total comprehensive income for the period				<u>20,334</u>



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Quarter Ended 31 March 2020	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	21,360	26,177	-	47,537
Inter-segment sales	-	5,546	(5,546)	-
Total Revenue	21,360	31,723	(5,546)	47,537
RESULTS				
Segment results				(1,353)
Unallocated corporate expenses				(857)
Finance cost				(113)
Interest income				203
Profit before taxation				(2,120)
Taxation				(292)
Net profit for the period				
- From continuing operations				(2,412)
- From discontinued operations				-
Profit for the period				(2,412)
Profit attributable to :				
Owners of the Company				
- From continuing operations				(3,240)
- From discontinued operations				-
				(3,240)
Non-controlling interests				
- From continuing operations				828
- From discontinued operations				-
				828
				(2,412)
Comprehensive income /(loss) for the period :				
Profit for the period				(2,412)
Other comprehensive loss				2,137
Total comprehensive income for the period				(275)
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				(1,365)
- From discontinued operations				-
				(1,365)
Non-controlling interests				
- From continuing operations				1,090
- From discontinued operations				-
				1,090
Total comprehensive income for the period				(275)



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Nine Months Ended 31 March 2020	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	95,297	90,606	-	185,903
Inter-segment sales	-	13,796	(13,796)	-
Total Revenue	95,297	104,402	(13,796)	185,903
RESULTS				
Segment results				18,697
Unallocated corporate expenses				(1,995)
Finance cost				(807)
Interest income				799
Profit before taxation				16,694
Taxation				(4,313)
Net profit / (loss) for the period				
- From continuing operations				12,773
- From discontinued operations				(392)
Profit for the period				12,381
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations				9,973
- From discontinued operations				(229)
				9,744
Non-controlling interests				
- From continuing operations				2,800
- From discontinued operations				(163)
				2,637
				12,381
Comprehensive income /(loss) for the period :				
Profit for the period				12,381
Other comprehensive loss				938
Total comprehensive income for the period				13,319
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations				11,116
- From discontinued operations				(229)
				10,887
Non-controlling interests				
- From continuing operations				2,595
- From discontinued operations				(163)
				2,432
Total comprehensive income for the period				13,319



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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 31 March 2021.

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

There were no material events subsequent to the FPE 31 March 2021.

A13. Changes in the composition of the Group

Save as disclosed below, there was no changes in the composition of the Group during the FPE 31 March 2021.

- a) On 1 July 2020, STC acquired an additional 5% equity interest in Omega Metal Industries Sdn Bhd (“**OMI**”) from its non-controlling interests for a total cash consideration of RM174,000. Following the completion of the acquisition on 1 October 2020, OMI became a wholly owned subsidiary of STC.
- b) On 2 November 2020, STC acquired an additional 5% equity interest in Daiichi Steel Sdn Bhd (“**DS**”) from its non-controlling interests for a total cash consideration of RM90,000. Following the completion of the acquisition on 4 December 2020, DS became a wholly owned subsidiary of STC.

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:

	3 months	3 months	9 months period ended	
	RM'000	RM'000	RM'000	RM'000
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Revenue	-	-	-	7,058
Other income	-	-	-	94
Operating expenses	-	-	-	(1,465)
Operating loss before tax	-	-	-	(392)
Taxation	-	-	-	-
Net loss after tax	-	-	-	(392)
Cash flow (used in) / generated from discontinued operations				
Operating activities	-	-	-	(4,251)
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

	3 Months Period Ended		Changes (%)	9 Months Period Ended		Changes (%)
	31-Mar-21 RM'000	30-Mar-20 RM'000		31-Mar-21 RM'000	30-Mar-20 RM'000	
Revenue	49,960	47,537	5%	183,990	185,903	-1%
- From continuing operations	49,960	47,537	5%	183,990	178,845	3%
- From discontinued operations	-	-	N/A	-	7,058	-100%
Profit / (Loss) before tax	6,270	(2,120)	396%	25,168	16,694	51%
Taxation	(1,716)	(292)	488%	(6,842)	(4,313)	59%
Net profit / (loss) after tax	4,554	(2,412)	289%	18,326	12,381	48%
- From continuing operations	4,554	(2,412)	289%	18,326	12,773	43%
- From discontinued operations	-	-	N/A	-	(392)	-100%
Profit / (Loss) attributable to Owners of the Company :						
	4,341	(3,240)	234%	17,119	9,744	76%
- From continuing operations	4,341	(3,240)	234%	17,119	9,973	72%
- From discontinued operations	-	-	N/A	-	(229)	-100%

Current quarter review

The Group recorded a revenue of RM49.96 million for the current quarter ended 31 March 2021 as compared to RM47.54 million in the previous year corresponding quarter, showing an increase of RM2.42 million or approximately 5%. The increase of revenue was mainly due to higher sales recorded in local and overseas market.

Profit after tax (“PAT”) attributable to owners of the Company of RM4.34 million for the current quarter ended 31 March 2021 as compared to a loss after tax attributable to the Company of RM3.24 million in the previous year corresponding quarter, showing an increase of RM7.58 million or approximately 234%. This was mainly due to higher sales recorded and lower operating cost, as a result of cost optimisation programmes.

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.

Nine months’ financial period review

The Group recorded a revenue of RM183.99 million for the FPE 31 March 2021 as compared to RM185.90 million in the previous year corresponding financial period, showing a decrease of RM1.91 million or approximately 1%. This 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 from local market.



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PAT attributable to owners of the Company from continuing operations of RM17.12 million for the FPE 31 March 2021 as compared to RM9.74 million in the previous year corresponding financial period, showing an increase of RM7.38 million or approximately 76%. This was mainly due to increase in sales from transformer and lighting segment and lower operating cost, as a result of cost optimisation programmes despite there was 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 financial period under review.

B2. Variation of Results against Preceding Quarter

	Current Quarter 31-Mar-21 RM'000	Preceding Quarter 31-Dec-20 RM'000	Changes (%)
Revenue	49,960	63,734	-22
Profit before tax	6,270	8,265	-24
Taxation	(1,716)	(1,557)	-10
Net profit after tax	4,554	6,708	-32
Profit attributable to Owners of the Company	4,341	6,319	-31

The Group recorded a revenue of RM49.96 million for the current quarter ended 31 March 2021 as compared to revenue of RM63.73 million in the preceding quarter showing a decrease of RM13.77 million or 22%. While, the PAT attributable to owners of the Company of RM4.34 million for the current quarter ended 31 March 2021 as compared to RM6.32 million in the preceding quarter, showing a decrease of RM1.98 million or 31%.

The decrease of revenue and PAT attributable to owners of the Company was mainly due to decrease in sales from both local and overseas market, especially from local market which resulted from the imposition of Movement Control Order (MCO) 2.0 which started on 13 January 2021 and Chinese New Year festival.



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B3. Prospects

The Covid-19 pandemic is unprecedented in its global reach and impact, posing formidable challenges to the world economy. The market sentiment is simultaneously disrupted by the pandemic, which could pose to further uncertainty on the impacts and duration.

To face the challenges ahead, the Group is continuing to leverage on its strong track record, by extending customer networking and wider range of products by expanding and penetrating into both existing and new markets. In addition, the Group will continue to put concerted efforts to establish strategic alliances to upgrade existing products and develop new product range.

Barring any unforeseen circumstances, the Group believe that overall performance for the financial year ending 30 June 2021 will remain satisfactory.

B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued by the Group as at 31 March 2021.

B5. Tax Expense

	3 Months Ended		9 Months Ended	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	RM'000	RM'000	RM'000	RM'000
Income tax	1,691	361	6,285	4,077
Deferred tax	25	(69)	557	236
Total	<u>1,716</u>	<u>292</u>	<u>6,842</u>	<u>4,313</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.



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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 25 May 2021, a total number of 2,778,600 ESOS options were exercised.

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

Director	ESOS Options Offered (Units)	Exercised during the period (Units)	Outstanding (Units) As at 25 May 2021
Tan Wei Neng	232,700	69,800	162,900



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B7. Group Borrowings

The Group’s borrowings as at 31 March 2021 were as follows:

	Payable within 12 months RM'000	Payable after 12 Months RM'000
<u>Secured</u>		
Bank Borrowings	353	1,051
Total Borrowings	<u>353</u>	<u>1,051</u>

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

	Amount RM'000
Singaporean Dollar	1,404
Total Borrowings	<u>1,404</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

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



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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 current quarter and FPE 31 March 2021 are computed as follow: -

	3 Months Ended		9 Months Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Profit / (Loss) attributable to Owners of the Company (RM'000)				
- From continuing operations	4,341	(3,240)	17,119	9,973
- From discontinued operations	-	-	-	(229)
	<u>4,341</u>	<u>(3,240)</u>	<u>17,119</u>	<u>9,744</u>
Weighted average number of STC Shares in issue ('000)	227,990	235,292	228,217	235,025
Basic earnings / (loss) per STC Share (sen)				
- From continuing operations	1.90	(1.38)	7.50	4.25
- From discontinued operations	-	-	-	(0.10)
	<u>1.90</u>	<u>(1.38)</u>	<u>7.50</u>	<u>4.15</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 earnings per share for the current quarter and FPE 31 March 2021 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Ended		9 Months Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Profit / (Loss) attributable to Owners of the Company (RM'000)				
- From continuing operations	4,341	(3,240)	17,119	9,973
- From discontinued operations	-	-	-	(229)
	<u>4,341</u>	<u>(3,240)</u>	<u>17,119</u>	<u>9,744</u>
Weighted average number of STC Shares in issue ('000)	227,990	235,292	228,217	235,025
Adjusted for unexercised Employees Share Option Scheme ('000)	229,406	236,846	228,984	237,239
Diluted earnings / (loss) per STC Share (sen)				
- From continuing operations	1.89	(1.37)	7.48	4.21
- From discontinued operations	-	-	-	(0.10)
	<u>1.89</u>	<u>(1.37)</u>	<u>7.48</u>	<u>4.11</u>



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

Other income / (loss)	3 Months Ended		9 Months Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Gain / (Loss) on disposal of property, plant and equipment	-	(41)	44	43
Gain on disposal of investment property	189	-	189	-
Gain on disposal of subsidiary company	-	-	-	6,090
Interest income	383	203	996	799
Other income	261	101	817	638
Reversal of allowance for impairment loss of inventories	189	498	1,737	2,080
Reversal of allowance for impairment losses on trade receivables	22	14	37	28
Interest expense	(66)	(113)	(243)	(807)
Allowance of impairment losses on trade receivables	-	(210)	(193)	(405)
Bad debts written off	-	(195)	-	(195)
Fair value of ESOS option	(6)	(65)	(131)	(343)
Gain / (Loss) on foreign currency exchange	277	(1,159)	(1,861)	(2,161)
Property, plant and equipment written off	(48)	(3)	(125)	(4)
Waiver of debt	-	(7)	(6)	(7)
Write down of inventories	-	(3,519)	(574)	(3,519)
Depreciation	(2,297)	(2,312)	(7,000)	(7,104)

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
25 May 2021