



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Current	Comparative	Year Ended	
	Quarter 30-Jun-21 RM'000	Quarter 30-Jun-20 RM'000	30-Jun-21 RM'000	30-Jun-20 RM'000
Revenue	53,073	44,209	237,063	230,112
Operating profit	4,882	1,653	29,297	18,355
Interest expense	(132)	(160)	(375)	(967)
Interest income	437	529	1,433	1,328
Share of profit of associate companies	70	-	70	-
Profit before taxation	5,257	2,022	30,425	18,716
Taxation	(928)	(1,119)	(7,770)	(5,432)
Net Profit / (Loss) after taxation				
- From continuing operations	4,329	903	22,655	13,676
- From discontinued operations	-	-	-	(392)
Profit for the period	4,329	903	22,655	13,284
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations	3,628	397	20,747	10,370
- From discontinued operations	-	-	-	(229)
	3,628	397	20,747	10,141
Non-controlling interests				
- From continuing operations	701	506	1,908	3,306
- From discontinued operations	-	-	-	(163)
	701	506	1,908	3,143
	4,329	903	22,655	13,284
Earnings / (Loss) per share (sen) :				
Basic	1.59	0.17	9.09	4.31
- From continuing operations	1.59	0.17	9.09	4.41
- From discontinued operations	-	-	-	(0.10)
Diluted	1.58	0.17	9.05	4.28
- From continuing operations	1.58	0.17	9.05	4.38
- 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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Current Quarter 30-Jun-21 RM'000	Comparative Quarter 30-Jun-20 RM'000	Year Ended	
			30-Jun-21 RM'000	30-Jun-20 RM'000
Profit for the period	4,329	903	22,655	13,284
Other comprehensive income / (loss)				
Currency translation differences for foreign operations	790	(563)	2,798	375
Total comprehensive income for the period	<u>5,119</u>	<u>340</u>	<u>25,453</u>	<u>13,659</u>
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations	4,056	(35)	22,447	11,081
- From discontinued operations	-	-	-	(229)
	<u>4,056</u>	<u>(35)</u>	<u>22,447</u>	<u>10,852</u>
Non-controlling interests				
- From continuing operations	1,063	375	3,006	2,970
- From discontinued operations	-	-	-	(163)
	<u>1,063</u>	<u>375</u>	<u>3,006</u>	<u>2,807</u>
Total comprehensive income for the period	<u>5,119</u>	<u>340</u>	<u>25,453</u>	<u>13,659</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 JUNE 2021

	As at 30-Jun-21 Unaudited RM'000	As at 30-Jun-20 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,111	66,862
Investment properties	31,431	29,992
Right-of-use assets	10,255	10,635
Investment in associate company	442	349
Amount due from a related party	2,395	2,523
Deferred tax assets	509	618
TOTAL NON-CURRENT ASSETS	113,143	110,979
Current assets		
Inventories	84,676	103,447
Trade receivables	62,521	55,004
Other receivables, deposits and prepayments	9,760	7,133
Contract assets	561	1,084
Amount due from associates	902	1,067
Amount due from a related party	156	221
Tax recoverable	9,304	9,945
Short term investment	90,217	54,198
Cash and bank balances	25,553	30,528
TOTAL CURRENT ASSETS	283,650	262,627
TOTAL ASSETS	396,793	373,606
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	73,149	72,018
Treasury shares	(15,201)	(13,649)
Reserves	275,664	256,261
	333,612	314,630
NON-CONTROLLING INTERESTS	23,487	21,767
TOTAL EQUITY	357,099	336,397
LIABILITIES		
Non-Current liabilities		
Lease liabilities	87	238
Long term borrowings	963	1,309
Deferred tax liabilities	1,739	1,170
TOTAL NON-CURRENT LIABILITIES	2,789	2,717
Current liabilities		
Trade payables	20,954	18,065
Other payables and accruals	14,049	14,276
Lease liabilities	1,492	1,599
Short term borrowings	355	345
Current tax payable	55	207
TOTAL CURRENT LIABILITIES	36,905	34,492
TOTAL LIABILITIES	39,694	37,209
TOTAL EQUITY AND LIABILITIES	396,793	373,606
Net assets per share attributable to owners of the parent (RM) *	1.46	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 YEAR ENDED 30 JUNE 2021

	Current Year - To - date 30-Jun-21 RM'000	Preceding Year Corresponding Year 30-Jun-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation		
From continuing operations	30,425	19,108
From discontinued operations	-	(392)
	<u>30,425</u>	<u>18,716</u>
Adjustments for:		
Non-cash items	10,059	15,351
Non-operating items	(1,313)	(6,562)
	<u>39,171</u>	<u>27,505</u>
Operating profit before changes in working capital		
Changes in working capital:		
Inventories	20,095	(289)
Trade and other receivables	(9,484)	12,801
Trade and other payables	2,199	(4,584)
	<u>51,981</u>	<u>35,433</u>
Cash generated from operating activities		
Tax paid	(6,960)	(11,066)
Tax refund	337	7,989
Interest paid	(375)	(967)
Interest received	1,433	1,328
	<u>46,416</u>	<u>32,717</u>
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment property	(2,628)	-
Purchase of property, plant and equipment ("PPE")	(8,186)	(5,878)
Additional to right-of-use assets	(2,270)	-
Proceeds from disposal of PPE	43	299
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>(12,022)</u>	<u>20,843</u>
Net cash (used in) / generated from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposit pledged	150	112
Repayment of lease liabilities	(249)	(1,203)
Repayment of bank borrowings and hire purchase payables	(259)	(6,607)
Net movement in trade bills	-	(1,568)
Drawdown from bank borrowings	-	4,000
Proceeds from issuance of new shares	828	426
Purchase of treasury shares	(1,552)	(3,769)
Dividend paid by the Company	(2,280)	(13,390)
Dividend paid by subsidiary to non-controlling interests	(1,286)	(2,422)
	<u>(4,648)</u>	<u>(24,421)</u>
Net cash used in financing activities		
NET CHANGES IN CASH AND CASH EQUIVALENTS	29,746	29,139
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	84,564	54,246
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	1,443	1,305
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u><u>115,753</u></u>	<u><u>84,690</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 YEAR ENDED 30 JUNE 2021

	Current Year - To - date 30-Jun-21 RM'000	Preceding Year Corresponding Year 30-Jun-20 RM'000
Cash and cash equivalents at end of the year comprises:		
Cash & bank Balances	25,386	30,342
Deposits with licensed banks	167	167
	<u>25,553</u>	<u>30,509</u>
Add : Short term investment	90,217	54,198
Less : Non-cash & cash equivalent		
-Fixed deposit pledge for banking facilities	(17)	(17)
	<u>115,753</u>	<u>84,690</u>

	Current Year - To - date 30-Jun-21 RM'000	Preceding Year Corresponding Year 30-Jun-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 YEAR ENDED 30 JUNE 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 30 June 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	-	-	-	-	-	20,747	20,747	1,908	22,655
Other comprehensive income - Foreign currency translation differences	-	-	-	1,700	-	-	1,700	1,098	2,798
Total comprehensive income for the period	-	-	-	1,700	-	20,747	22,447	3,006	25,453
Contributions by and distributions to owners of the Company :									
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(592)	(592)	-	(592)
Dividends paid									
- by the Company	-	-	-	-	-	(2,280)	(2,280)	-	(2,280)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(1,286)	(1,286)
Employees' share option exercised	1,131	-	(303)	-	-	-	828	-	828
Employees' share option granted	-	-	131	-	-	-	131	-	131
Purchase of treasury shares	-	(1,552)	-	-	-	-	(1,552)	-	(1,552)
Total transactions with owners of the Company	1,131	(1,552)	(172)	-	-	(2,872)	(3,465)	(1,286)	(4,751)
As at 30 June 2021	73,149	(15,201)	615	5,174	14,288	255,587	333,612	23,487	357,099



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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 30 June 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	-	-	-	-	-	10,141	10,141	3,143	13,284
Other comprehensive income - Foreign currency translation differences	-	-	-	711	-	-	711	(336)	375
Total comprehensive income for the period	-	-	-	711	-	10,141	10,852	2,807	13,659
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)
Dividends paid									
- by the Company	-	-	-	-	-	(13,390)	(13,390)	-	(13,390)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(2,422)	(2,422)
Employees' share option exercised	503	-	(77)	-	-	-	426	-	426
Employees' share option granted	-	-	407	-	-	-	407	-	407
Purchase of treasury shares	-	(3,769)	-	-	-	-	(3,769)	-	(3,769)
Total transactions with owners of the Company	503	(3,769)	330	-	-	(13,906)	(16,842)	(8,896)	(25,738)
At 30 June 2020	72,018	(13,649)	787	3,637	7,790	244,203	314,786	22,138	336,924

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 June 2021

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 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 – 30 June 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 year: -

MFRSs (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 (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 June 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 FYE 30 June 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 FYE 30 June 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 year under review.

a) Share Buy Back

During the FYE 30 June 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 FYE 30 June 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 30 June 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 251,276,800 STC Shares.

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

During the FYE 30 June 2021, a total number of 1,533,700 ordinary shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 251,276,800 ordinary shares as at 30 June 2021.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2021

A8. Dividend Paid

On 11 November 2020, the Company declared a tax-exempt single-tier interim 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 FYE 30 June 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 – 30 June 2021

A9. Segment Information

Business Segments Revenue & Results

Quarter Ended 30 June 2021	Transformer, lighting and related products RM'000	Process equipment RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	53,073	-	-	53,073
Inter-segment sales	-	-	-	-
Total Revenue	<u>53,073</u>	<u>-</u>	<u>-</u>	<u>53,073</u>
RESULTS				
Segment results				5,268
Share of gain from associate companies				70
Unallocated corporate expenses				(386)
Finance cost				(132)
Interest income				437
Profit before taxation				<u>5,257</u>
Taxation				<u>(928)</u>
Net profit for the period				
- From continuing operations				4,329
- From discontinued operations				-
Profit for the period				<u><u>4,329</u></u>
Profit attributable to :				
Owners of the Company				
- From continuing operations				3,628
- From discontinued operations				-
				<u>3,628</u>
Non-controlling interests				
- From continuing operations				701
- From discontinued operations				-
				<u>701</u>
				<u><u>4,329</u></u>
Comprehensive income for the period :				
Profit for the period				4,329
Other comprehensive income				790
Total comprehensive income for the period				<u><u>5,119</u></u>
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				4,056
- From discontinued operations				-
				<u>4,056</u>
Non-controlling interests				
- From continuing operations				1,063
- From discontinued operations				-
				<u>1,063</u>
Total comprehensive income for the period				<u><u>5,119</u></u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2021

Year Ended 30 June 2021	Transformer, lighting and related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	237,063	-	-	237,063
Inter-segment sales	-	-	-	-
Total Revenue	<u>237,063</u>	<u>-</u>	<u>-</u>	<u>237,063</u>
RESULTS				
Segment results				31,927
Share of gain from associate companies				70
Unallocated corporate expenses				(2,630)
Finance cost				(375)
Interest income				<u>1,433</u>
Profit before taxation				<u>30,425</u>
Taxation				<u>(7,770)</u>
Net profit for the year				
- From continuing operations				22,655
- From discontinued operations				-
Profit for the year				<u><u>22,655</u></u>
Profit attributable to :				
Owners of the Company				
- From continuing operations				20,747
- From discontinued operations				-
				<u>20,747</u>
Non-controlling interests				
- From continuing operations				1,908
- From discontinued operations				-
				<u>1,908</u>
				<u><u>22,655</u></u>
Comprehensive income for the year :				
Profit for the period				22,655
Other comprehensive income				<u>2,798</u>
Total comprehensive income for the year				<u><u>25,453</u></u>
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				22,447
- From discontinued operations				-
				<u>22,447</u>
Non-controlling interests				
- From continuing operations				3,006
- From discontinued operations				-
				<u>3,006</u>
Total comprehensive income for the year				<u><u>25,453</u></u>



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2021

Quarter Ended 30 June 2020	Transformer, lighting and related products RM’000	Process equipment RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	44,209	-	-	44,209
Inter-segment sales	-	-	-	-
Total Revenue	44,209	-	-	44,209
RESULTS				
Segment results				2,103
Unallocated corporate expenses				(450)
Finance cost				(160)
Interest income				529
Profit before taxation				2,022
Taxation				(1,119)
Net profit for the period				903
- From continuing operations				903
- From discontinued operations				-
Profit for the period				903
Profit attributable to :				
Owners of the Company				
- From continuing operations				397
- From discontinued operations				-
				397
Non-controlling interests				
- From continuing operations				506
- From discontinued operations				-
				506
				903
Comprehensive income / (loss) for the period :				
Profit for the period				903
Other comprehensive expense				(563)
Total comprehensive income for the period				340
Total comprehensive (loss) / income attributable to :				
Owners of the Company				
- From continuing operations				(35)
- From discontinued operations				-
				(35)
Non-controlling interests				
- From continuing operations				375
- From discontinued operations				-
				375
Total comprehensive income for the period				340



SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2021

Year Ended 30 June 2020	Transformer, lighting and related products RM'000	Process equipment RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	223,054	7,058	-	230,112
Inter-segment sales	-	-	-	-
Total Revenue	<u>223,054</u>	<u>7,058</u>	<u>-</u>	<u>230,112</u>
RESULTS				
Segment results				20,800
Unallocated corporate expenses				(2,445)
Finance cost				(967)
Interest income				1,328
Profit before taxation				<u>18,716</u>
Taxation				<u>(5,432)</u>
Net profit / (loss) for the year				
- From continuing operations				13,676
- From discontinued operations				(392)
Profit for the year				<u>13,284</u>
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations				10,370
- From discontinued operations				(229)
				<u>10,141</u>
Non-controlling interests				
- From continuing operations				3,306
- From discontinued operations				(163)
				<u>3,143</u>
				<u>13,284</u>
Comprehensive income for the year :				
Profit for the year				13,284
Other comprehensive income				375
Total comprehensive income for the year				<u>13,659</u>
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations				11,081
- From discontinued operations				(229)
				<u>10,852</u>
Non-controlling interests				
- From continuing operations				2,970
- From discontinued operations				(163)
				<u>2,807</u>
Total comprehensive income for the year				<u>13,659</u>



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A9. Segment Information - (Cont’d)

Geographical Segments Revenue & Results

Quarter Ended 30 June 2021	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	27,361	25,712	-	53,073
Inter-segment sales	1,928	8,039	(9,967)	-
Total Revenue	29,289	33,751	(9,967)	53,073
RESULTS				
Segment results				5,268
Share of gain of associate companies				70
Unallocated corporate expenses				(386)
Finance cost				(132)
Interest income				437
Profit before taxation				5,257
Taxation				(928)
Net profit for the period				
- From continuing operations				4,329
- From discontinued operations				-
Profit for the period				4,329
Profit attributable to :				
Owners of the Company				
- From continuing operations				3,628
- From discontinued operations				-
				3,628
Non-controlling interests				
- From continuing operations				701
- From discontinued operations				-
				701
				4,329
Comprehensive income for the period :				
Profit for the period				4,329
Other comprehensive income				790
Total comprehensive income for the period				5,119
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				4,056
- From discontinued operations				-
				4,056
Non-controlling interests				
- From continuing operations				1,063
- From discontinued operations				-
				1,063
Total comprehensive income for the period				5,119



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Year Ended 30 June 2021	Malaysia RM’000	Overseas RM’000	Eliminations RM’000	Consolidated RM’000
REVENUE				
External Sales	131,219	105,844	-	237,063
Inter-segment sales	1,928	27,612	(29,540)	-
Total Revenue	<u>133,147</u>	<u>133,456</u>	<u>(29,540)</u>	<u>237,063</u>
RESULTS				
Segment results				31,927
Share of gain of associate companies				70
Unallocated corporate expenses				(2,630)
Finance cost				(375)
Interest income				1,433
Profit before taxation				<u>30,425</u>
Taxation				<u>(7,770)</u>
Net profit for the year				
- From continuing operations				22,655
- From discontinued operations				-
Profit for the year				<u><u>22,655</u></u>
Profit attributable to :				
Owners of the Company				
- From continuing operations				20,747
- From discontinued operations				-
				<u>20,747</u>
Non-controlling interests				
- From continuing operations				1,908
- From discontinued operations				-
				<u>1,908</u>
				<u><u>22,655</u></u>
Comprehensive income for the year :				
Profit for the year				22,655
Other comprehensive income				2,798
Total comprehensive income for the year				<u><u>25,453</u></u>
Total comprehensive income attributable to :				
Owners of the Company				
- From continuing operations				22,447
- From discontinued operations				-
				<u>22,447</u>
Non-controlling interests				
- From continuing operations				3,006
- From discontinued operations				-
				<u>3,006</u>
Total comprehensive income for the year				<u><u>25,453</u></u>



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Quarter Ended 30 June 2020	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	18,519	25,690	-	44,209
Inter-segment sales	3,625	9,822	(13,447)	-
Total Revenue	22,144	35,512	(13,447)	44,209
RESULTS				
Segment results				2,103
Unallocated corporate expenses				(450)
Finance cost				(160)
Interest income				529
Profit before taxation				2,022
Taxation				(1,119)
Net profit for the period				903
- From continuing operations				903
- From discontinued operations				-
Profit for the period				903
Profit attributable to :				
Owners of the Company				
- From continuing operations				397
- From discontinued operations				-
				397
Non-controlling interests				
- From continuing operations				506
- From discontinued operations				-
				506
				903
Comprehensive income /(loss) for the period :				
Profit for the period				903
Other comprehensive loss				(563)
Total comprehensive income for the period				340
Total comprehensive (loss) / income attributable to :				
Owners of the Company				
- From continuing operations				(35)
- From discontinued operations				-
				(35)
Non-controlling interests				
- From continuing operations				375
- From discontinued operations				-
				375
Total comprehensive income for the period				340



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Year Ended 30 June 2020	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE				
External Sales	115,477	114,635	-	230,112
Inter-segment sales	3,625	23,618	(27,243)	-
Total Revenue	119,102	138,253	(27,243)	230,112
RESULTS				
Segment results				20,800
Unallocated corporate expenses				(2,445)
Finance cost				(967)
Interest income				1,328
Profit before taxation				18,716
Taxation				(5,432)
Net profit / (loss) for the year				
- From continuing operations				13,676
- From discontinued operations				(392)
Profit for the year				13,284
Profit / (Loss) attributable to :				
Owners of the Company				
- From continuing operations				10,370
- From discontinued operations				(229)
				10,141
Non-controlling interests				
- From continuing operations				3,306
- From discontinued operations				(163)
				3,143
				13,284
Comprehensive income /(loss) for the year :				
Profit for the year				13,284
Other comprehensive income				375
Total comprehensive income for the year				13,659
Total comprehensive income / (loss) attributable to :				
Owners of the Company				
- From continuing operations				11,081
- From discontinued operations				(229)
				10,852
Non-controlling interests				
- From continuing operations				2,970
- From discontinued operations				(163)
				2,807
Total comprehensive income for the year				13,659



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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

The amount of capital commitments of the Group as at 30 June 2021 is as follows:

	RM'000
Approved and contracted for	
Property, plant and equipment	2,909
Investment properties	2,282
	<u>5,191</u>

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

There were no material events subsequent to the FYE 30 June 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 FYE 30 June 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	12 months ended	
	RM'000	RM'000	RM'000	RM'000
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-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 (%)	12 Months Period Ended		Changes (%)
	30-Jun-21 RM'000	30-Jun-20 RM'000		30-Jun-21 RM'000	30-Jun-20 RM'000	
Revenue	53,073	44,209	20%	237,063	230,112	3%
- From continuing operations	53,073	44,209	20%	237,063	223,054	6%
- From discontinued operations	-	-	N/A	-	7,058	-100%
Profit before tax	5,257	2,022	160%	30,425	18,716	63%
Taxation	(928)	(1,119)	-17%	(7,770)	(5,432)	43%
Net profit / (loss) after tax	4,329	903	379%	22,655	13,284	71%
- From continuing operations	4,329	903	379%	22,655	13,676	66%
- From discontinued operations	-	-	N/A	-	(392)	100%
Profit / (Loss) attributable to Owners of the Company :						
	3,628	397	814%	20,747	10,141	105%
- From continuing operations	3,628	397	814%	20,747	10,370	100%
- From discontinued operations	-	-	N/A	-	(229)	100%

Current quarter review

The Group recorded a revenue of RM53.07 million for the current quarter ended 30 June 2021 as compared to RM44.21 million in the previous year corresponding quarter, showing an increase of RM8.86 million or approximately 20%. The increase of revenue was mainly due to higher sales recorded in local market.

Profit after tax (“PAT”) attributable to owners of the Company of RM3.63 million for the current quarter ended 30 June 2021 as compared to RM0.40 million in the previous year corresponding quarter, showing an increase of RM3.23 million or approximately 808%. 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.

Twelve months’ financial year review

The Group recorded a revenue of RM237.06 million for the FYE 30 June 2021 as compared to RM230.11 million in the previous year corresponding financial year, showing an increase of RM6.95 million or approximately 3%. This was mainly due to increase in sales from transformer and lighting segment from local market despite Discontinued operation of the process equipment segment as a result of the disposal on 3 September 2019 (“Disposal”).



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PAT attributable to owners of the Company from continuing operations of RM20.75 million for the FYE 30 June 2021 as compared to RM10.37 million in the previous year corresponding financial year, showing an increase of RM10.38 million or approximately 100%. This was mainly due to increase in sales from transformer and lighting segment, coupled with 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 year under review.

B2. Variation of Results against Preceding Quarter

	Current Quarter 30-Jun-21 RM'000	Preceding Quarter 31-Mar-21 RM'000	Changes (%)
Revenue	53,073	49,960	6%
Profit before tax	5,257	6,270	-16%
Taxation	(928)	(1,716)	-46%
Net profit after tax	4,329	4,554	-5%
Profit attributable to Owners of the Company	3,628	4,341	-16%

The Group recorded a revenue of RM53.07 million for the current quarter ended 30 June 2021 as compared to revenue of RM49.96 million in the preceding quarter showing an increase of RM3.11 million or 6%. The increased of revenue was mainly due to higher sales recorded in local market.

PAT attributable to owners of the Company of RM3.63 million for the current quarter ended 30 June 2021 as compared to RM4.34 million in the preceding quarter, showing a decrease of RM0.71 million or 16%. The decrease was mainly due to drop of gross profit margin and impairment loss of property, plant and equipment and investment property in the current quarter.



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B3. Prospects

The Group anticipates that the outlook towards will remain challenging due to the continuous uncertainties in the global economy outlook arising from impacts of the Covid-19 pandemic.

However, the Group believe that with higher vaccination rate and easing of lockdown in Malaysia will improve local economy in the new financial year ending 30 June 2022.

Notwithstanding, 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 2022 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 30 June 2021.

B5. Tax Expense

	3 Months Ended		12 Months Ended	
	30-Jun-21 RM'000	30-Jun-20 RM'000	30-Jun-21 RM'000	30-Jun-20 RM'000
Income tax	816	1,446	7,101	5,523
Deferred tax	112	(327)	669	(91)
Total	<u>928</u>	<u>1,119</u>	<u>7,770</u>	<u>5,432</u>

The effective tax rate for the current quarter is lower than statutory tax rate was due to tax refund received.

The effective tax rate for the 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 27 September 2021, a total number of 2,820,500 ESOS options were exercised.

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

Director	ESOS Options Offered (Units)	Exercised (Units)	Outstanding (Units) As at 27 September 2021
Tan Wei Neng	232,700	69,800	162,900



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B7. Group Borrowings

The Group’s borrowings as at 30 June 2021 were as follows:

	Payable within 12 months RM'000	Payable after 12 Months RM'000
<u>Secured</u>		
Bank Borrowings	355	963
Total Borrowings	<u>355</u>	<u>963</u>

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

	Amount RM'000
Singaporean Dollar	1,318
Total Borrowings	<u>1,318</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 FYE 30 June 2021 are computed as follow: -

	3 Months Ended		12 Months Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Profit / (Loss) attributable to Owners of the Company (RM'000)				
- From continuing operations	3,628	397	20,747	10,370
- From discontinued operations	-	-	-	(229)
	<u>3,628</u>	<u>397</u>	<u>20,747</u>	<u>10,141</u>
Weighted average number of STC Shares in issue ('000)	228,697	235,343	228,337	235,104
Basic earnings / (loss) per STC Share (sen)				
- From continuing operations	1.59	0.17	9.09	4.41
- From discontinued operations	-	-	-	(0.10)
	<u>1.59</u>	<u>0.17</u>	<u>9.09</u>	<u>4.31</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 FYE 30 June 2021 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Ended		12 Months Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Profit / (Loss) attributable to Owners of the Company (RM'000)				
- From continuing operations	3,628	397	20,747	10,370
- From discontinued operations	-	-	-	(229)
	<u>3,628</u>	<u>397</u>	<u>20,747</u>	<u>10,141</u>
Weighted average number of STC Shares in issue ('000)	228,697	235,343	228,337	235,104
Adjusted for unexercised Employees Share Option Scheme ('000)	230,228	235,901	229,294	236,907
Diluted earnings / (loss) per STC Share (sen)				
- From continuing operations	1.58	0.17	9.05	4.38
- From discontinued operations	-	-	-	(0.10)
	<u>1.58</u>	<u>0.17</u>	<u>9.05</u>	<u>4.28</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		12 Months Ended	
	30-Jun-21 RM'000	30-Jun-20 RM'000	30-Jun-21 RM'000	30-Jun-20 RM'000
Gain on disposal of property, plant and equipment	-	67	44	110
(Loss) / Gain on disposal of investment property	(41)	-	148	-
Gain on disposal of subsidiary company	-	-	-	6,090
Imputed interest income from long term trade receivables	41	47	41	47
Interest income	395	482	1,391	1,281
Other income	128	331	945	969
Reversal of write down of inventories	363	-	2,100	134
Reversal of allowance for impairment losses on trade receivables	240	106	277	-
Allowance for impairment losses on trade receivables	(79)	(621)	(272)	(998)
Bad debts written off	-	(8)	-	(203)
Depreciation	(2,809)	(2,995)	(9,809)	(10,099)
Fair value of ESOS option	-	(64)	(131)	(407)
(Loss) / Gain on foreign currency exchange	(114)	2,211	(1,975)	50
Impairment loss of investment property	(138)	-	(138)	-
Impairment loss of property, plant and equipment	(272)	-	(272)	-
Interest expense	(137)	(160)	(380)	(967)
Property, plant and equipment written off	(3)	-	(128)	(4)
Waiver of debt	-	(17)	(6)	(24)
Write down of inventories	(204)	(1,000)	(778)	(2,439)

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
27 September 2021