



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 DECEMBER 2021**

	Current Quarter 31-Dec-21 RM'000	Comparative Quarter 31-Dec-20 RM'000	Cumulative 6 Months	
			31-Dec-21 RM'000	31-Dec-20 RM'000
Revenue	73,620	63,734	119,500	134,030
Operating profit	10,745	7,982	12,166	18,462
Interest expense	(65)	(79)	(140)	(177)
Interest income	615	362	1,320	613
Profit before taxation	11,295	8,265	13,346	18,898
Taxation	(3,366)	(1,557)	(3,682)	(5,126)
Profit for the period	7,929	6,708	9,664	13,772
Profit attributable to :				
Owners of the Company	7,369	6,319	9,169	12,778
Non-controlling interests	560	389	495	994
	7,929	6,708	9,664	13,772
Earnings per share (sen) :				
Basic	3.22	2.76	4.01	5.59
Diluted	3.20	2.75	3.98	5.57
Profit for the period	7,929	6,708	9,664	13,772
Other comprehensive income				
Currency translation differences for foreign operations	505	857	938	1,417
Total comprehensive income for the period	8,434	7,565	10,602	15,189
Total comprehensive income attributable to :				
Owners of the Company	7,640	6,544	9,702	13,407
Non-controlling interests	794	1,021	900	1,782
Total comprehensive income for the period	8,434	7,565	10,602	15,189

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 2021 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 DECEMBER 2021

	As at 31-Dec-21 Unaudited RM'000	As at 30-Jun-21 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,293	68,553
Investment properties	33,775	31,431
Right-of-use assets	10,173	9,778
Investment in associate company	450	442
Amount due from a related party	2,258	2,378
Deferred tax assets	519	509
TOTAL NON-CURRENT ASSETS	117,468	113,091
Current assets		
Inventories	80,487	84,713
Trade receivables	71,943	62,501
Other receivables, deposits and prepayments	7,107	9,826
Contract assets	780	561
Amount due from associates	971	902
Amount due from a related party	315	194
Tax recoverable	9,954	9,453
Short term investment	74,319	90,217
Cash and bank balances	34,996	25,553
TOTAL CURRENT ASSETS	280,872	283,920
TOTAL ASSETS	398,340	397,011
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	73,535	73,149
Treasury shares	(15,571)	(15,201)
Reserves	281,131	275,656
	339,095	333,604
NON-CONTROLLING INTERESTS	23,886	23,486
TOTAL EQUITY	362,981	357,090
LIABILITIES		
Non-Current liabilities		
Lease liabilities	211	335
Long term borrowings	800	963
Deferred tax liabilities	2,424	1,739
TOTAL NON-CURRENT LIABILITIES	3,435	3,037
Current liabilities		
Trade payables	18,951	20,914
Other payables and accruals	11,549	14,380
Lease liabilities	1,072	1,211
Short term borrowings	342	355
Current tax payable	10	24
TOTAL CURRENT LIABILITIES	31,924	36,884
TOTAL LIABILITIES	35,359	39,921
TOTAL EQUITY AND LIABILITIES	398,340	397,011
Net assets per share attributable to owners of the parent (RM) *	1.48	1.46

* 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 2021 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 DECEMBER 2021

	Current Year - To - date 31-Dec-21 RM'000	Preceding Year Corresponding Period 31-Dec-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,346	18,898
Adjustments for:		
Non-cash items	4,517	5,363
Non-operating items	(1,201)	(479)
Operating profit before changes in working capital	16,662	23,782
Changes in working capital:		
Inventories	3,764	26,861
Trade and other receivables	(6,859)	(9,293)
Trade and other payables	(4,616)	(1,521)
Cash generated from operating activities	8,951	39,829
Tax paid	(3,950)	(2,931)
Tax refund	444	294
Interest paid	(140)	(177)
Interest received	1,320	613
Net cash generated from operating activities	6,625	37,628
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment property	(2,423)	-
Purchase of property, plant and equipment ("PPE")	(4,961)	(2,267)
Additional to right-of-use assets	(290)	(59)
Proceeds from disposal of PPE	10	43
Arising from incorporation of subsidiary	40	-
Payment for capital reduction	(440)	-
Net cash used in investing activities	(8,064)	(2,283)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposit pledged	-	150
Repayment of lease liabilities	(268)	(917)
Repayment of bank borrowings and hire purchase payables	(88)	(85)
Proceeds from issuance of new shares	280	126
Purchase of treasury shares	(370)	(1,282)
Dividend paid by the Company	(4,121)	(2,280)
Dividend paid by subsidiary to non-controlling interests	(100)	(100)
Net cash used in financing activities	(4,667)	(4,388)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,106)	30,957
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	115,753	84,559
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	(349)	322
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	109,298	115,838
Cash and cash equivalents at end of the period comprises:		
Cash & bank Balances	34,979	33,736
Deposits with licensed banks	17	167
	34,996	33,903
Add : Short term investment	74,319	81,952
Less : Non-cash & cash equivalent		
-Fixed deposit pledge for banking facilities	(17)	(17)
	109,298	115,838

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 2021 with the accompanying explanatory notes attached to these interim financial statements.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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 December 2021									
As at 1 July 2021	73,149	(15,201)	615	5,174	14,288	255,579	333,604	23,486	357,090
Profit for the period	-	-	-	-	-	9,169	9,169	495	9,664
Other comprehensive income - Foreign currency translation differences	-	-	-	533	-	-	533	405	938
Total comprehensive income for the period	-	-	-	533	-	9,169	9,702	900	10,602
Contributions by and distributions to owners of the Company :									
Arising from incorporation of subsidiary	-	-	-	-	-	-	-	40	40
Dividends paid									
- by the Company	-	-	-	-	-	(4,121)	(4,121)	-	(4,121)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(100)	(100)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	(440)	(440)
Employees' share option exercised	386	-	(106)	-	-	-	280	-	280
Purchase of treasury shares	-	(370)	-	-	-	-	(370)	-	(370)
Total transactions with owners of the Company	386	(370)	(106)	-	-	(4,121)	(4,211)	(500)	(4,711)
As at 31 December 2021	73,535	(15,571)	509	5,707	14,288	260,627	339,095	23,886	362,981



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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 December 2020									
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	-	-	-	-	-	12,778	12,778	994	13,772
Other comprehensive income - Foreign currency translation differences	-	-	-	629	-	-	629	788	1,417
Total comprehensive income for the period	-	-	-	629	-	12,778	13,407	1,782	15,189
Contributions by and distributions to owners of the Company :									
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	(519)	(519)	-	(519)
Dividends paid									
- by the Company	-	-	-	-	-	(2,280)	(2,280)	-	(2,280)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(100)	(100)
Employees' share option exercised	163	-	(37)	-	-	-	126	-	126
Employees' share option granted	-	-	131	-	-	-	131	-	131
Purchase of treasury shares	-	(1,282)	-	-	-	-	(1,282)	-	(1,282)
Total transactions with owners of the Company	163	(1,282)	94	-	-	(2,799)	(3,824)	(100)	(3,924)
As at 31 December 2020	72,181	(14,931)	881	4,103	14,288	247,691	324,213	23,449	347,662

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 2021 with the accompanying explanatory notes attached to these interim financial statements.



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

Notes on the quarterly report – 31 December 2021

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

A1. Basis of Preparation

These condensed consolidated financial statements, for the financial period ended (“FPE”) 31 December 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 2021.

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 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 (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 3	: Reference to the Conceptual Framework	1 January 2023
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
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023



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

Notes on the quarterly report – 31 December 2021

A2. Changes in Accounting Policies (Cont.)

MFRSs (including the Consequential Amendments) (Cont’d)

<u>Standard issued but not effective</u>		<u>Effective date</u>
Amendments to MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018- 2020		1 January 2022

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.

The Group has applied the following accounting standards that have been issued by the MASB and effective for the financial period which has no material impact on the Group’s financial statements : -

<u>Standard issued</u>		<u>Effective date</u>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	: Interest Rate Benchmark Reform – Phase 2	1 January 2021



Notes on the quarterly report – 31 December 2021

A3. Qualification of Annual Financial Statements

The latest audited consolidated financial statements of STC for the FYE 30 June 2021 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 FPE 31 December 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 December 2021.

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 December 2021, the Company repurchased 477,900 units of its issued share capital from the open market at average cost of RM0.7737 per ordinary share in STC (“**STC Share(s)**”). The total consideration paid for the share buy-back of STC Shares during the six months’ period ended 31 December 2021 including transaction costs was RM369,763 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 December 2021, the number of treasury shares held was 22,949,254 STC Shares at an average cost of RM0.6785 per STC Share out of its 251,795,400 STC Shares.



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

Notes on the quarterly report – 31 December 2021

A7. Debt and Equity Securities (Cont.)

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

During the FPE 31 December 2021, a total number of 518,600 ordinary shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 251,795,400 STC Shares as at 31 December 2021.

A8. Dividend Paid

On 12 October 2021, the Company declared a tax-exempt single-tier interim dividend of RM0.018 per ordinary shares on 228,955,046 ordinary shares in respect of the financial year ending 30 June 2022 amounting to RM 4,121,190 and paid on 18 November 2021 to shareholders whose names appeared in Company’s record of depositors on 28 October 2021.

In the previous year corresponding FPE 31 December 2020, the Company had on 11 November 2020, declared a tax-exempt single-tier dividend of RM0.01 per ordinary shares on 227,970,346 ordinary shares in respect of the FYE 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.

A9. Segment Information

The Group operates predominantly within the business of design, manufacturing and distribution of electrical apparatus and industrial lighting. Accordingly, the information by business segments is not presented.

For geographical information, revenue is based on the country in which the customers are located. The revenue based on geographical information are as follows:

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	43,547	35,680	63,682	79,095
Overseas	30,073	28,054	55,818	54,935
	<u>73,620</u>	<u>63,734</u>	<u>119,500</u>	<u>134,030</u>



Notes on the quarterly report – 31 December 2021

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 31 December 2021 is as follows:

	RM'000
Approved and contracted for	
Property, plant and equipment	175
Investment properties	134
	<u>309</u>

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

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

A13. Changes in the composition of the Group

Save as disclosed below, there were no material changes in the composition of the Group during the FPE 31 December 2021.

- a) On 8 September 2021, STC subscribed 60 ordinary shares in Kare For U Sdn. Bhd. (“KARE”), representing a 60% of the total issued and paid up capital of KARE for a cash consideration of RM 60 upon incorporation. As a result, KARE became a 60% owned direct subsidiary of the Company.

On 22 October 2021, STC had subscribed an additional 59,940 ordinary shares in KARE, representing 60% equity interests in KARE for a cash consideration of RM59,940.

Upon the subscription of shares, KARE remained a 60% owned direct subsidiary of the Company.

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.



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

Notes on the quarterly report – 31 December 2021

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

B1. Review of Performance

	3 Months Period Ended		Changes (%)	6 Months Period Ended		Changes (%)
	31-Dec-21 RM'000	31-Dec-20 RM'000		31-Dec-21 RM'000	31-Dec-20 RM'000	
Revenue	73,620	63,734	16%	119,500	134,030	-11%
Profit before tax	11,295	8,265	37%	13,346	18,898	-29%
Taxation	(3,366)	(1,557)	116%	(3,682)	(5,126)	-28%
Net profit after tax	7,929	6,708	18%	9,664	13,772	-30%
Profit attributable to Owners of the Company	7,369	6,319	17%	9,169	12,778	-28%

Current quarter review

The Group recorded a revenue of RM73.62 million for the current quarter ended 31 December 2021 as compared to RM63.73 million in the previous year corresponding quarter, showing an increase of RM9.89 million or approximately 16%. Profit after tax (“PAT”) attributable to owners of the Company of RM7.37 million for the current quarter ended 31 December 2021 as compared to RM6.32 million in the previous year corresponding quarter, showing an increase of RM1.05 million or approximately 17%.

The increase of revenue and PAT was mainly due to higher sales recorded in both local and overseas market, especially from local market.

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.

Six months’ financial period review

The Group recorded a revenue of RM119.50 million for the FPE 31 December 2021 as compared to RM134.03 million in the previous year corresponding financial period, showing a decrease of RM14.53 million or approximately 11%. PAT attributable to owners of the Company of RM9.17 million for the FPE 31 December 2021 as compared to RM12.78 million in the previous year corresponding financial period, showing a decrease of RM3.61 million or approximately 28%.

The decrease of revenue and PAT was mainly due to lower sales recorded in local market as a result of the Full Movement Control Order (“FMCO”) implemented effective from 1 June 2021 with no business activities allowed.

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.



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

Notes on the quarterly report – 31 December 2021

B2. Variation of Results against Preceding Quarter

	Current Quarter 31-Dec-21 RM'000	Preceding Quarter 30-Sep-21 RM'000	Changes (%)
Revenue	73,620	45,880	60%
Profit before tax	11,295	2,051	451%
Taxation	(3,366)	(316)	965%
Net profit after tax	7,929	1,735	357%
Profit attributable to Owners of the Company	7,369	1,800	309%

The Group recorded a revenue of RM73.62 million for the current quarter ended 31 December 2021 as compared to revenue of RM45.88 million in the preceding quarter showing an increase of RM27.74 million or 60%. PAT attributable to owners of the Company of RM7.37 million for the current quarter ended 31 December 2021 as compared to RM1.80 million in the preceding quarter, showing an increase of RM5.57 million or 309%.

The increase of revenue and PAT was mainly due to higher sales recorded in both local and overseas market, especially from local market. In addition, the lower sales recorded in the preceding quarter was mainly due to the FMCO implemented effective from 1 June 2021 with no business activities allowed.

B3. Prospects

The Group’s business performances were positively resulted with increase in sales, showing gradual recoveries from the imposition of the FMCO by Government of Malaysia on 1 June 2021.

Nevertheless, the group still remain cautions whilst awaiting Government of Malaysia to move from pandemic phase to endemic phase, as many are concerned about the increasing wave of the Omicron variant in the world currently.

Despite of the uncertainty circumstances, the Group believes it will benefit from the increase from the overall global demands for LED lighting to replace the conventional lighting. With the initiation of the global movements to set up more and more “Smart Cities” which will result for higher demands for intelligence lighting system. Furthermore, the increasing demand for high-efficiency transformers in data centre in line with the higher adoption of “IoT” (Internet Of Things) and the implementation of “Industrial 4.0” within South East Asia (S.E.A.) regions will give us a good prospect as well.

Barring any unforeseen circumstances, the Group believes that overall performance for the financial year ending 30 June 2022 will remain satisfactory.



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

Notes on the quarterly report – 31 December 2021

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Income tax	2,566	1,507	2,997	4,594
Deferred tax	800	50	685	532
Total	<u>3,366</u>	<u>1,557</u>	<u>3,682</u>	<u>5,126</u>

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

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.

Subsequent to a cancellation arising from the resignation of staff, a total of 1,143,200 ESOS options under the ESOS scheme was re-offered to the eligible employees and executive director at an exercise price of RM0.54 on 7 December 2021 upon the approval by the ESOS Committee and the Board and were fully granted to all the eligible employees and executive director on 31 December 2021.



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

Notes on the quarterly report – 31 December 2021

B6. Status of Corporate Proposals (Cont.)

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 22 February 2022, a total number of 3,394,100 ESOS options were exercised.

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

Director	ESOS Options Offered (Units)	Additional Offered (Units)	Exercised (Units)	Outstanding (Units) As at 22 February 2022
Dato’ Tan Wei Neng	232,700	35,900	69,800	198,800

B7. Group Borrowings

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

	Payable within 12 months RM'000	Payable after 12 Months RM'000
<u>Secured</u>		
Bank Borrowings	<u>342</u>	<u>800</u>

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

	Amount RM'000
Singapore Dollar	<u>1,142</u>



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

Notes on the quarterly report – 31 December 2021

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 quarter under review save as disclosed in Note A8.



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

Notes on the quarterly report – 31 December 2021

B10. Earnings per share

(a) Basic

Basic earnings per share of the Group is calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during current quarter FPE 31 December 2021 is computed as follow: -

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Profit attributable to Owners of the Company (RM'000)	7,369	6,319	9,169	12,778
Weighted average number of STC Shares in issue ('000)	228,853	229,311	228,841	228,980
Basic earnings per STC Share (sen)	3.22	2.76	4.01	5.59

(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 FPE 31 December 2021 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Ended		6 Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Profit attributable to Owners of the Company (RM'000)	7,369	6,319	9,169	12,778
Weighted average number of STC Shares in issue ('000)	228,853	229,311	228,841	228,980
Adjusted for unexercised Employees Share Option Scheme ('000)	230,290	229,908	230,293	229,428
Diluted earnings per STC Share (sen)	3.20	2.75	3.98	5.57



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

Notes on the quarterly report – 31 December 2021

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

Other income / (loss)	3 Months Period Ended		6 Months Period Ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Gain on disposal of property, plant and equipment	-	-	11	44
Interest income	615	362	1,320	613
Other income	231	335	320	556
Reversal of write down of inventories	3	1,548	33	1,548
Reversal of allowance for impairment losses on trade receivables	-	12	-	15
Allowance for impairment losses on trade receivables	-	-	-	(193)
Depreciation	(1,849)	(2,046)	(4,349)	(4,703)
Fair value of ESOS option	-	(59)	-	(125)
Interest expense	(65)	(79)	(140)	(177)
Loss on foreign currency exchange	(86)	(267)	(76)	(2,138)
Property, plant and equipment written off	-	(17)	-	(77)
Waiver of debt	-	(6)	-	(6)
Write down of inventories	(494)	-	(494)	(574)

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
22 February 2022