



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 2022

	Current Quarter 31-Mar-22 RM'000	Comparative Quarter 31-Mar-21 RM'000	Cumulative 9 Months	
			31-Mar-22 RM'000	31-Mar-21 RM'000
<b>Revenue</b>	55,084	49,960	174,584	183,990
<b>Operating profit</b>	7,362	5,953	19,528	24,415
Interest expense	(57)	(66)	(197)	(243)
Interest income	58	383	1,378	996
<b>Profit before taxation</b>	7,363	6,270	20,709	25,168
Taxation	(1,813)	(1,716)	(5,495)	(6,842)
<b>Profit for the period</b>	5,550	4,554	15,214	18,326
<b>Profit attributable to :</b>				
Owners of the Company	5,389	4,341	14,558	17,119
Non-controlling interests	161	213	656	1,207
	5,550	4,554	15,214	18,326
<b>Earnings per share (sen) :</b>				
Basic	2.35	1.90	6.36	7.50
Diluted	2.34	1.89	6.32	7.48
<b>Profit for the period</b>	5,550	4,554	15,214	18,326
<b>Other comprehensive income</b>				
Currency translation differences for foreign operations	1	591	939	2,008
<b>Total comprehensive income for the period</b>	5,551	5,145	16,153	20,334
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company	5,651	4,984	15,353	18,391
Non-controlling interests	(100)	161	800	1,943
<b>Total comprehensive income for the period</b>	5,551	5,145	16,153	20,334

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 MARCH 2022**

	As at 31-Mar-22 Unaudited RM'000	As at 30-Jun-21 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	92,503	68,553
Investment properties	33,433	31,431
Right-of-use assets	11,019	9,778
Investment in associate company	455	442
Amount due from a related party	2,223	2,378
Deferred tax assets	523	509
<b>TOTAL NON-CURRENT ASSETS</b>	<b>140,156</b>	<b>113,091</b>
<b>Current assets</b>		
Inventories	98,133	84,713
Trade receivables	69,699	62,501
Other receivables, deposits and prepayments	14,514	9,826
Contract assets	576	561
Amount due from associates	1,237	902
Amount due from a related party	322	194
Tax recoverable	8,277	9,453
Short term investment	53,930	90,217
Cash and bank balances	31,384	25,553
<b>TOTAL CURRENT ASSETS</b>	<b>278,072</b>	<b>283,920</b>
<b>TOTAL ASSETS</b>	<b>418,228</b>	<b>397,011</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	73,658	73,149
Treasury shares	(15,571)	(15,201)
Reserves	286,748	275,656
	344,835	333,604
<b>NON-CONTROLLING INTERESTS</b>	<b>29,738</b>	<b>23,486</b>
<b>TOTAL EQUITY</b>	<b>374,573</b>	<b>357,090</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
Lease liabilities	492	335
Long term borrowings	11,623	963
Deferred tax liabilities	2,737	1,739
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>14,852</b>	<b>3,037</b>
<b>Current liabilities</b>		
Trade payables	15,279	20,914
Other payables and accruals	11,140	14,380
Lease liabilities	1,209	1,211
Short term borrowings	1,087	355
Current tax payable	88	24
<b>TOTAL CURRENT LIABILITIES</b>	<b>28,803</b>	<b>36,884</b>
<b>TOTAL LIABILITIES</b>	<b>43,655</b>	<b>39,921</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>418,228</b>	<b>397,011</b>
<b>Net assets per share attributable to owners of the parent (RM) *</b>	<b>1.51</b>	<b>1.46</b>

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

The unaudited Condensed Consolidation Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 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 MARCH 2022**

	<b>Current Year - To - date 31-Mar-22 RM'000</b>	<b>Preceding Year Corresponding Period 31-Mar-21 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,709	25,168
Adjustments for:		
Non-cash items	6,545	7,123
Non-operating items	(1,203)	(986)
Operating profit before changes in working capital	<u>26,051</u>	<u>31,305</u>
Changes in working capital:		
Inventories	(9,866)	24,224
Trade and other receivables	(7,756)	(3,260)
Trade and other payables	(13,456)	(9,194)
Cash (used in) / generated from operating activities	<u>(5,027)</u>	<u>43,075</u>
Tax paid	(4,881)	(3,958)
Tax refund	832	310
Interest paid	(197)	(243)
Interest received	1,378	996
<b>Net cash (used in) /generated from operating activities</b>	<u>(7,895)</u>	<u>40,180</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment properties	(2,148)	-
Purchase of property, plant and equipment ("PPE")	(18,624)	(3,268)
Additional to right-of-use assets	(292)	(59)
Proceeds from disposal of PPE	10	43
Proceeds from disposal of investment property	-	1,019
Arising from incorporation of subsidiary	40	-
Payment for capital reduction	(440)	-
Net cash outflow from acquisition of subsidiary	(5,589)	-
<b>Net cash used in investing activities</b>	<u>(27,043)</u>	<u>(2,265)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in fixed deposit pledged	-	150
Repayment of lease liabilities	(593)	(1,306)
Repayment of bank borrowings	(1,372)	(257)
Drawdown from bank borrowings	11,340	-
Proceeds from issuance of new shares	369	449
Purchase of treasury shares	(370)	(1,552)
Dividend paid by the Company	(4,121)	(2,280)
Dividend paid by subsidiary to non-controlling interests	(100)	(100)
<b>Net cash generated from / (used in) financing activities</b>	<u>5,153</u>	<u>(4,896)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(29,785)	33,019
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	115,753	84,559
<b>EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD</b>	(671)	899
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>85,297</u></u>	<u><u>118,477</u></u>
<b>The cash and cash equivalents comprise the following:-</b>		
Cash & bank balances	29,630	24,805
Deposits with licensed banks	1,754	167
	<u>31,384</u>	<u>24,972</u>
Add : Short term investment	53,930	93,522
Less : Deposits pledged to licensed banks	(17)	(17)
	<u><u>85,297</u></u>	<u><u>118,477</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 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 CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022

	← Non-distributable →					Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Employees Share Option Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>Current year-to-date ended 31 March 2022</b>									
<b>As at 1 July 2021</b>	73,149	(15,201)	615	5,174	14,288	255,579	333,604	23,486	357,090
Profit for the period	-	-	-	-	-	14,558	14,558	656	15,214
Other comprehensive income									
- Foreign currency translation differences	-	-	-	795	-	-	795	144	939
<b>Total comprehensive income for the period</b>	-	-	-	795	-	14,558	15,353	800	16,153
<b>Contributions by and distributions to owners of the Company :</b>									
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	5,952	5,952
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	509	-	(140)	-	-	-	369	-	369
Purchase of treasury shares	-	(370)	-	-	-	-	(370)	-	(370)
<b>Total transactions with owners of the Company</b>	509	(370)	(140)	-	-	(4,121)	(4,122)	5,452	1,330
<b>As at 31 March 2022</b>	73,658	(15,571)	475	5,969	14,288	266,016	344,835	29,738	374,573



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

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'001	Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>Preceding year corresponding period ended 31 March 2021</b>									
<b>As at 1 July 2020</b>	72,018	(13,649)	787	3,474	14,288	237,712	314,630	21,767	336,397
Profit for the period	-	-	-	-	-	17,119	17,119	1,207	18,326
Other comprehensive income									
- Foreign currency translation differences	-	-	-	1,272	-	-	1,272	736	2,008
<b>Total comprehensive income for the period</b>	-	-	-	1,272	-	17,119	18,391	1,943	20,334
<b>Contributions by and distributions to owners of the Company :</b>									
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)
<b>Total transactions with owners of the Company</b>	609	(1,552)	(29)	-	-	(2,857)	(3,829)	(100)	(3,929)
<b>As at 31 March 2021</b>	<b>72,627</b>	<b>(15,201)</b>	<b>758</b>	<b>4,746</b>	<b>14,288</b>	<b>251,974</b>	<b>329,192</b>	<b>23,610</b>	<b>352,802</b>

The unaudited Condensed Consolidation Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 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 March 2022**

**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 March 2022, 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 March 2022**

**A2. Changes in Accounting Policies (Cont.)**

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

<b><u>Standard issued but not effective</u></b>		<b><u>Effective date</u></b>
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 : -

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



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

**Notes on the quarterly report – 31 March 2022**

**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 March 2022.

**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 2022.

**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

As at 31 March 2022, 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 251,961,000 STC Shares.

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

During the FPE 31 March 2022, a total number of 684,200 ordinary shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 251,961,000 STC Shares as at 31 March 2022.





**Notes on the quarterly report – 31 March 2022**

**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 March 2021, 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:

	<b>3 Months Period Ended</b>		<b>9 Months Period Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
Malaysia	28,545	24,763	92,227	103,858
Overseas	26,539	25,197	82,357	80,132
	<u>55,084</u>	<u>49,960</u>	<u>174,584</u>	<u>183,990</u>

**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 March 2022 is as follows:

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



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

**Notes on the quarterly report – 31 March 2022**

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

There were no material events subsequent to the FPE 31 March 2022.

**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 March 2022.

- 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.

- b) On 3 January 2022, STC had acquired 1,440,000 ordinary shares in Global-Pacific Manufacturing Sdn. Bhd. (“**GPM**”), representing 60% of the equity interests for a total cash consideration of RM8.40 million. As such, GPM became a 60% 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.



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

Notes on the quarterly report – 31 March 2022

**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-22 RM'000	31-Mar-21 RM'000		31-Mar-22 RM'000	31-Mar-21 RM'000	
Revenue	55,084	49,960	10%	174,584	183,990	-5%
Profit before tax	7,363	6,270	17%	20,709	25,168	-18%
Taxation	(1,813)	(1,716)	6%	(5,495)	(6,842)	-20%
<b>Net profit after tax</b>	<b>5,550</b>	<b>4,554</b>	22%	<b>15,214</b>	<b>18,326</b>	-17%
<b>Profit attributable to Owners of the Company</b>	<b>5,389</b>	<b>4,341</b>	24%	<b>14,558</b>	<b>17,119</b>	-15%

**Current quarter review**

The Group recorded a revenue of RM55.08 million for the current quarter ended 31 March 2022 as compared to RM49.96 million in the previous year corresponding quarter, showing an increase of RM5.12 million or approximately 10%. Profit after tax (“PAT”) attributable to owners of the Company of RM5.39 million for the current quarter ended 31 March 2022 as compared to RM4.34 million in the previous year corresponding quarter, showing an increase of RM1.05 million or approximately 24%.

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.



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

**Notes on the quarterly report – 31 March 2022**

**B1. Review of Performance (Cont’)**

**Nine months’ financial period review**

The Group recorded a revenue of RM174.58 million for the FPE 31 March 2022 as compared to RM183.99 million in the previous year corresponding financial period, showing a decrease of RM9.41 million or approximately 5%. PAT attributable to owners of the Company of RM14.56 million for the FPE 31 March 2022 as compared to RM17.12 million in the previous year corresponding financial period, showing a decrease of RM2.56 million or approximately 15%.

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.

**B2. Variation of Results against Preceding Quarter**

	<b>Current Quarter 31-Mar-22 RM'000</b>	<b>Preceding Quarter 31-Dec-21 RM'000</b>	<b>Changes (%)</b>
Revenue	55,084	73,620	-25%
Profit before tax	7,363	11,295	-35%
Taxation	(1,813)	(3,366)	-46%
<b>Net profit after tax</b>	<b>5,550</b>	<b>7,929</b>	-30%
<b>Profit attributable to Owners of the Company</b>	<b>5,389</b>	<b>7,369</b>	-27%

The Group recorded a revenue of RM55.08 million for the current quarter ended 31 March 2022 as compared to revenue of RM73.62 million in the preceding quarter showing a decrease of RM18.54 million or 25%. PAT attributable to owners of the Company of RM5.39 million for the current quarter ended 31 March 2022 as compared to RM7.37 million in the preceding quarter, showing a decrease of RM1.98 million or 27%.

The decrease of revenue and PAT was mainly due to lower sales recorded in both local and overseas market, especially from local market due to celebration of Chinese New Year festival.



Notes on the quarterly report – 31 March 2022

**B3. Prospects**

Our country has entered into endemic phase of Covid-19 beginning 1 April 2022, and this recovery is expected to gain momentum in 2022. This is underpinned by several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. However, there are uncertainty in both macro and micro economy activities that is triggered by geopolitical concerns, inflation, foreign exchange volatility and liquidity tightening across the market.

Despite all the uncertainty, the Group believes it will benefit from the increase of the overall global demands for LED lighting to replace the conventional lighting. In addition, the initiation of the global movements to set up more and more “Smart Cities” which in turn will bring more positive impacts on the demands for intelligence lighting system will enhance the growth prospects of the Group. 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.

**B4. Profit Forecast, Profit Estimate or Profit Guarantee**

The Group has not issued any profit forecast, profit estimate or profit guarantee in any public documents.

**B5. Tax Expense**

	3 Months Period Ended		9 Months Period Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Income tax	2,189	1,691	5,186	6,285
Deferred tax	(376)	25	309	557
Total	<u>1,813</u>	<u>1,716</u>	<u>5,495</u>	<u>6,842</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.



**Notes on the quarterly report – 31 March 2022**

**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.

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

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

As at 24 May 2022, a total number of 3,462,800 ESOS options were exercised.

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

<b>Director</b>	<b>ESOS Options Offered (Units)</b>	<b>Additional Offered (Units)</b>	<b>Exercised (Units)</b>	<b>Outstanding (Units) As at 24 May 2022</b>
Dato' Tan Wei Neng	232,700	35,900	69,800	198,800



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

**Notes on the quarterly report – 31 March 2022**

**B7. Group Borrowings**

The Group’s borrowings as at 31 March 2022 were as follows:

	<b>Payable within 12 months RM'000</b>	<b>Payable after 12 Months RM'000</b>
<u>Secured</u> Bank Borrowings	<u>1,087</u>	<u>11,623</u>

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

	<b>Amount RM'000</b>
Malaysian Ringgit	<u>12,710</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 quarter under review.



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

**Notes on the quarterly report – 31 March 2022**

**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 March 2022 is computed as follow: -

	<b>3 Months Period Ended</b>		<b>9 Months Period Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Profit attributable to Owners of the Company (RM'000)	5,389	4,341	14,558	17,119
Weighted average number of STC Shares in issue ('000)	228,953	227,990	228,878	228,217
Basic earnings per STC Share (sen)	<u>2.35</u>	<u>1.90</u>	<u>6.36</u>	<u>7.50</u>

**(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 March 2022 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Profit attributable to Owners of the Company (RM'000)	5,389	4,341	14,558	17,119
Weighted average number of STC Shares in issue ('000)	228,953	227,990	228,878	228,217
Adjusted for unexercised Employees Share Option Scheme ('000)	229,998	229,406	230,208	228,984
Diluted earnings per STC Share (sen)	<u>2.34</u>	<u>1.89</u>	<u>6.32</u>	<u>7.48</u>





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

**Notes on the quarterly report – 31 March 2022**

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

Other income / (loss)	3 Months Period Ended		9 Months Period Ended	
	31-Mar-22 RM'000	31-Mar-21 RM'000	31-Mar-22 RM'000	31-Mar-21 RM'000
Gain on disposal of investment property	-	189	11	189
Gain on disposal of property, plant and equipment	-	-	11	44
Gain from acquisition of a subsidiary	711	-	711	-
Interest income	58	383	1,378	996
Other income	287	261	607	817
Reversal of write down of inventories	-	189	33	1,737
Reversal of allowance for impairment losses on trade receivables	-	22	-	37
Allowance for impairment losses on trade receivables	-	-	-	(193)
Bad debts written off	(17)	-	(17)	-
Depreciation	(2,341)	(2,297)	(6,690)	(7,000)
Fair value of ESOS option	-	(6)	-	(131)
Interest expense	(57)	(66)	(197)	(243)
(Loss) / Gain on foreign currency exchange	(21)	277	(97)	(1,861)
Property, plant and equipment written off	(16)	(48)	(16)	(125)
Waiver of debt	-	-	-	(6)
Write down of inventories	(346)	-	(840)	(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  
24 May 2022