



**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 2022**

	<b>Current Quarter 30-Jun-22 RM'000</b>	<b>Comparative Quarter 30-Jun-21 RM'000</b>	<b>Year Ended</b>	
			<b>30-Jun-22 RM'000</b>	<b>30-Jun-21 RM'000</b>
<b>Revenue</b>	56,908	53,073	231,492	237,063
<b>Operating profit</b>	8,235	4,882	27,763	29,297
Interest expense	(169)	(132)	(366)	(375)
Interest income	528	437	1,906	1,433
Share of profit of associate companies	-	70	-	70
<b>Profit before taxation</b>	8,594	5,257	29,303	30,425
Taxation	(1,279)	(928)	(6,774)	(7,770)
<b>Profit for the year</b>	7,315	4,329	22,529	22,655
<b>Profit attributable to :</b>				
Owners of the Company	5,936	3,628	20,494	20,747
Non-controlling interests	1,379	701	2,035	1,908
	7,315	4,329	22,529	22,655
<b>Earnings per share (sen) :</b>				
Basic	2.59	1.59	8.95	9.09
Diluted	2.56	1.58	8.89	9.05
<b>Profit for the year</b>	7,315	4,329	22,529	22,655
<b>Other comprehensive (loss) / income</b>				
Currency translation differences for foreign operations	(944)	790	(5)	2,798
<b>Total comprehensive income for the year</b>	6,371	5,119	22,524	25,453
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	5,172	4,056	20,525	22,447
Non-controlling interests	1,199	1,063	1,999	3,006
<b>Total comprehensive income for the year</b>	6,371	5,119	22,524	25,453

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 30 JUNE 2022

	As at 30-Jun-22 Unaudited RM'000	As at 30-Jun-21 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	96,182	68,553
Investment properties	33,518	31,431
Right-of-use assets	10,474	9,778
Investment in associate company	452	442
Amount due from a related party	2,233	2,378
Deferred tax assets	537	509
<b>TOTAL NON-CURRENT ASSETS</b>	<b>143,396</b>	<b>113,091</b>
<b>Current assets</b>		
Inventories	105,778	84,713
Trade receivables	70,755	62,501
Other receivables, deposits and prepayments	9,229	9,826
Contract assets	374	561
Amount due from associates	905	902
Amount due from a related party	215	194
Tax recoverable	8,159	9,453
Short term investment	61,244	90,217
Cash and bank balances	26,095	25,553
<b>TOTAL CURRENT ASSETS</b>	<b>282,754</b>	<b>283,920</b>
<b>TOTAL ASSETS</b>	<b>426,150</b>	<b>397,011</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	73,735	73,149
Treasury shares	(15,571)	(15,201)
Reserves	292,131	275,656
	350,295	333,604
<b>NON-CONTROLLING INTERESTS</b>	<b>28,518</b>	<b>23,486</b>
<b>TOTAL EQUITY</b>	<b>378,813</b>	<b>357,090</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
Lease liabilities	512	335
Long term borrowings	11,601	963
Deferred tax liabilities	2,621	1,739
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>14,734</b>	<b>3,037</b>
<b>Current liabilities</b>		
Trade payables	19,299	20,914
Other payables and accruals	11,494	14,380
Lease liabilities	836	1,211
Short term borrowings	899	355
Current tax payable	75	24
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,603</b>	<b>36,884</b>
<b>TOTAL LIABILITIES</b>	<b>47,337</b>	<b>39,921</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>426,150</b>	<b>397,011</b>
<b>Net assets per share attributable to owners of the parent (RM) *</b>	<b>1.53</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")  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	Current Year - To - date 30-Jun-22 RM'000	Preceding Year Corresponding Year 30-Jun-21 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	29,303	30,425
Adjustments for:		
Non-cash items	8,699	10,059
Non-operating items	(1,561)	(1,313)
Operating profit before changes in working capital	36,441	39,171
Changes in working capital:		
Inventories	(17,314)	20,095
Trade and other receivables	(2,651)	(9,484)
Trade and other payables	(9,258)	2,199
Cash generated from operating activities	7,218	51,981
Tax paid	(6,498)	(6,960)
Tax refund	1,145	337
Interest paid	(366)	(375)
Interest received	1,906	1,433
<b>Net cash generated from operating activities</b>	<b>3,405</b>	<b>46,416</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment properties	(2,302)	(2,628)
Purchase of property, plant and equipment ("PPE")	(24,716)	(8,186)
Additional to right-of-use assets	(351)	(2,270)
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	(468)	-
Net cash outflow from acquisition of subsidiary	(5,589)	-
<b>Net cash used in investing activities</b>	<b>(33,376)</b>	<b>(12,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in fixed deposit pledged	(337)	150
Repayment of lease liabilities	(948)	(249)
Repayment of bank borrowings	(1,595)	(259)
Drawdown from bank borrowings	11,340	-
Proceeds from issuance of new shares	425	828
Purchase of treasury shares	(370)	(1,552)
Dividend paid by the Company	(4,121)	(2,280)
Dividend paid by subsidiary to non-controlling interests	(2,620)	(1,286)
<b>Net cash generated from / (used in) financing activities</b>	<b>1,774</b>	<b>(4,648)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(28,197)</b>	<b>29,746</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>115,753</b>	<b>84,564</b>
<b>EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD</b>	<b>(571)</b>	<b>1,443</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>86,985</b>	<b>115,753</b>
<b>The cash and cash equivalents comprise the following:-</b>		
Cash & bank balances	25,741	25,386
Deposits with licensed banks	354	167
	26,095	25,553
Add : Short term investment	61,244	90,217
Less : Deposits pledged to licensed banks	(354)	(17)
	<b>86,985</b>	<b>115,753</b>

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")  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	← Non-distributable →					Distributable			Total Equity RM'000
	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	
<b>Current year-to-date ended 30 June 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 year	-	-	-	-	-	20,494	20,494	2,035	22,529
Other comprehensive income									
- Foreign currency translation differences	-	-	-	31	-	-	31	(36)	(5)
<b>Total comprehensive income for the year</b>	-	-	-	31	-	20,494	20,525	1,999	22,524
<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
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	232	232	129	361
Dividends paid									
- by the Company	-	-	-	-	-	(4,121)	(4,121)	-	(4,121)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(2,620)	(2,620)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	(468)	(468)
Employees' share option exercised	586	-	(161)	-	-	-	425	-	425
Purchase of treasury shares	-	(370)	-	-	-	-	(370)	-	(370)
<b>Total transactions with owners of the Company</b>	586	(370)	(161)	-	-	(3,889)	(3,834)	3,033	(801)
<b>As at 30 June 2022</b>	<b>73,735</b>	<b>(15,571)</b>	<b>454</b>	<b>5,205</b>	<b>14,288</b>	<b>272,184</b>	<b>350,295</b>	<b>28,518</b>	<b>378,813</b>



UCESS TRANSFORMER CORPORATION BERHAD ("STC")  
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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'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 year ended 30 June 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 year	-	-	-	-	-	20,747	20,747	1,908	22,655
Other comprehensive income									
- Foreign currency translation differences	-	-	-	1,700	-	-	1,700	1,098	2,798
<b>Total comprehensive income for the year</b>	-	-	-	1,700	-	20,747	22,447	3,006	25,453
<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	-	-	-	-	-	(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)
<b>Total transactions with owners of the Company</b>	1,131	(1,552)	(172)	-	-	(2,872)	(3,465)	(1,286)	(4,751)
<b>As at 30 June 2021</b>	<b>73,149</b>	<b>(15,201)</b>	<b>615</b>	<b>5,174</b>	<b>14,288</b>	<b>255,587</b>	<b>333,612</b>	<b>23,487</b>	<b>357,099</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”)  
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**Notes on the quarterly report – 30 June 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 year ended (“FYE”) 30 June 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 audited financial statements of STC and its subsidiaries (“**Group**”) for the 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 year: -

**MFRSs (including the Consequential Amendments)**

<b><u>Standard issued but not effective</u></b>		<b><u>Effective date</u></b>
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”)  
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**Notes on the quarterly report – 30 June 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



**Notes on the quarterly report – 30 June 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 FYE 30 June 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 FYE 30 June 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 year under review.

a) Share Buy Back

As at 30 June 2022, the number of 22,949,254 ordinary shares in STC (“**STC Share(s)**”) were held as treasury shares at an average cost of RM0.6785 per STC Share out of its 252,064,800 STC Shares.

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

During the FYE 30 June 2022, a total number of 788,000 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,064,800 STC Shares as at 30 June 2022.





**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 30 June 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 STC Shares in respect of the FYE 30 June 2022 amounting to RM4,121,190 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 FYE 30 June 2021, the Company had on 11 November 2020, declared a tax-exempt single-tier interim dividend of RM0.01 per ordinary shares on 227,970,346 STC 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>12 Months Period Ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
Malaysia	27,032	27,361	119,259	131,219
Overseas	29,876	25,712	112,233	105,844
	<u>56,908</u>	<u>53,073</u>	<u>231,492</u>	<u>237,063</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**

There was no capital commitment approved and contracted for as at 30 June 2022.

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

There were no material events subsequent to the FYE 30 June 2022.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 30 June 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 FYE 30 June 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.
- c) On 27 April 2022, PT. Boxon Nikkon Jayaindo (“**BNJ**”), a 96% owned direct subsidiary of STC, has enlarged its share capital to USD2,000,000 through the issuance of additional 1,700,000 shares in BNJ at an issue price of USD1.00 for each share. STC had subscribed an additional 1,692,000 shares in BNJ for a cash consideration of USD1,692,000 (equivalent to RM7,377,120). Following the completion of the subscription of shares, BNJ became a 99% owned direct 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”)  
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**Notes on the quarterly report – 30 June 2022**

**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-22 RM'000	30-Jun-21 RM'000		30-Jun-22 RM'000	30-Jun-21 RM'000	
Revenue	56,908	53,073	7%	231,492	237,063	-2%
Profit before tax	8,594	5,257	63%	29,303	30,425	-4%
Taxation	(1,279)	(928)	38%	(6,774)	(7,770)	-13%
<b>Net profit after tax</b>	<b>7,315</b>	<b>4,329</b>	69%	<b>22,529</b>	<b>22,655</b>	-1%
<b>Profit attributable to Owners of the Company</b>	<b>5,936</b>	<b>3,628</b>	64%	<b>20,494</b>	<b>20,747</b>	-1%

**Current quarter review**

The Group recorded a revenue of RM56.91 million for the current quarter ended 30 June 2022 as compared to RM53.07 million in the previous year corresponding quarter, showing an increase of RM3.84 million or approximately 7%. The increase of revenue was mainly due to increase in sales from overseas market in the current quarter.

Profit after tax (“PAT”) attributable to owners of the Company of RM5.94 million for the current quarter ended 30 June 2022 as compared to RM3.63 million in the previous year corresponding quarter, showing an increase of RM2.31 million or approximately 64%. This was mainly due to better cost control and gain on foreign exchange in the current quarter.

Save as disclosed as above, there were no material factors affecting the earnings and/or revenue of the Group and the Company for the financial period under review.

**Twelve months’ financial year review**

The Group recorded a revenue of RM231.49 million for the FYE 30 June 2022 as compared to RM237.06 million in the previous year corresponding financial year, showing a decrease of RM5.57 million or approximately 2%. PAT attributable to owners of the Company of RM20.49 million for the FYE 30 June 2022 as compared to RM20.75 million in the previous year corresponding financial year, showing a decrease of RM0.26 million or approximately 1%.

The decrease of revenue, especially first quarter’s revenue 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 year under review.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)**  
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**Notes on the quarterly report – 30 June 2022**

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

	<b>Current Quarter 30-Jun-22 RM'000</b>	<b>Preceding Quarter 31-Mar-22 RM'000</b>	<b>Changes (%)</b>
Revenue	56,908	55,084	3%
Profit before tax	8,594	7,363	17%
Taxation	(1,279)	(1,813)	-29%
<b>Net profit after tax</b>	<b>7,315</b>	<b>5,550</b>	32%
<b>Profit attributable to Owners of the Company</b>	<b>5,936</b>	<b>5,389</b>	10%

The Group recorded a revenue of RM56.91 million for the current quarter ended 30 June 2022 as compared to revenue of RM55.08 million in the preceding quarter showing an increase of RM1.83 million or 3%. PAT attributable to owners of the Company of RM5.94 million for the current quarter ended 30 June 2022 as compared to RM5.39 million in the preceding quarter, showing an increase of RM0.55 million or 10%.

The increase of revenue and PAT was mainly due to increase in sales and gain on foreign exchange in the current quarter.

**B3. Prospects**

Our country has entered into the 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 that the growth of the Group will be supported by the steady demand for smart lighting and LED lighting in view of the increasing global demand for LED lighting to replace conventional lighting in order to increase energy efficiency and reducing in carbon footprint. Furthermore, the Group also believes it will benefit from the global development of set up smart cities which helps to meet sustainability goals by enhancing city living and utilise superior technology such as Intelligent Light Control System and sensors to address economic, social and ecological challenges of the city while reducing costs.

For our transformer products, the established well-known brand name of QPS remain the key player in the local low voltage transformer market. We believe the sales momentum will drive upwards, particularly in data centres industry and with the implementation of “Industrial 4.0” within the South East Asia (S.E.A.) region.

Barring any unforeseen circumstances, the Group believes that the overall performance for the financial year ending 30 June 2023 will remain satisfactory.



Notes on the quarterly report – 30 June 2022

**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		12 Months Period Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	RM'000	RM'000	RM'000	RM'000
Income tax	1,407	816	6,593	7,101
Deferred tax	(128)	112	181	669
Total	1,279	928	6,774	7,770

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

**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.



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**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 24 August 2022, a total number of 3,572,500 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 August 2022</b>
Dato’ Tan Wei Neng	232,700	35,900	69,800	198,800



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**Notes on the quarterly report – 30 June 2022**

**B7. Group Borrowings**

The Group’s borrowings as at 30 June 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	899	11,601

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

	<b>Amount RM’000</b>
Malaysian Ringgit	12,500

**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.



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**B10. Earnings per share**

**(a) Basic**

Basic earnings per share of the Group is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during current quarter and 12-months financial year.

	<b>3 Months Period Ended</b>		<b>12 Months Period Ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Profit attributable to Owners of the Company (RM'000)	5,936	3,628	20,494	20,747
Weighted average number of STC Shares in issue ('000)	229,106	228,697	228,935	228,337
Basic earnings per STC Share (sen)	<u>2.59</u>	<u>1.59</u>	<u>8.95</u>	<u>9.09</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 and 12-months financial year have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	<b>3 Months Period Ended</b>		<b>12 Months Period Ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Profit attributable to Owners of the Company (RM'000)	5,936	3,628	20,494	20,747
Weighted average number of STC Shares in issue ('000)	229,106	228,697	228,935	228,337
Adjusted for unexercised Employees Share Option Scheme ('000)	231,882	230,228	230,625	229,294
Diluted earnings per STC Share (sen)	<u>2.56</u>	<u>1.58</u>	<u>8.89</u>	<u>9.05</u>





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**Notes on the quarterly report – 30 June 2022**

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

Other income / (loss)	3 Months Period Ended		12 Months Period Ended	
	30-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
(Loss) / Gain on disposal of investment property	-	(41)	11	148
Gain on disposal of property, plant and equipment	-	-	11	44
Gain from acquisition of a subsidiary	-	-	711	-
Imputed interest income from long term trade receivables	51	41	51	41
Interest income	477	395	1,855	1,391
Other income	151	128	758	945
Reversal of write down of inventories	266	363	299	2,100
Reversal of allowance for impairment losses on trade receivables	160	240	160	277
Bad debt written off	(22)	-	(39)	-
Allowance for impairment losses on trade receivables	(448)	(79)	(448)	(272)
Depreciation	(2,291)	(2,809)	(8,981)	(9,809)
Fair value of ESOS option	-	-	-	(131)
Impairment loss of investment property	-	(138)	-	(138)
Impairment loss of property, plant and equipment	-	(272)	-	(272)
Interest expense	(169)	(137)	(366)	(380)
Gain / (Loss) on foreign currency exchange	1,566	(114)	1,469	(1,975)
Property, plant and equipment written off	(209)	(3)	(225)	(128)
Waiver of debt	-	-	-	(6)
Write down of inventories	(67)	(204)	(907)	(778)

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 August 2022