



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 2022

	Current Quarter 31-Dec-22 RM'000	Comparative Quarter 31-Dec-21 RM'000	Cumulative 6 Months	
			31-Dec-22 RM'000	31-Dec-21 RM'000
Revenue	67,351	73,620	124,938	119,500
Operating profit	8,955	10,745	13,911	12,166
Interest expense	(232)	(65)	(458)	(140)
Interest income	463	615	475	1,320
Profit before taxation	9,186	11,295	13,928	13,346
Taxation	(1,822)	(3,366)	(3,239)	(3,682)
Profit for the period	7,364	7,929	10,689	9,664
Profit attributable to :				
Owners of the Company	6,550	7,369	10,123	9,169
Non-controlling interests	814	560	566	495
	7,364	7,929	10,689	9,664
Earnings per share (sen) :				
Basic	2.86	3.22	4.41	4.01
Diluted	2.85	3.20	4.40	3.98
Profit for the period	7,364	7,929	10,689	9,664
Other comprehensive (loss) / income				
Currency translation differences for foreign operations	(2,380)	505	(3,186)	938
Total comprehensive income for the period	4,984	8,434	7,503	10,602
Total comprehensive income / (loss) attributable to :				
Owners of the Company	4,925	7,640	8,579	9,702
Non-controlling interests	59	794	(1,076)	900
Total comprehensive income for the period	4,984	8,434	7,503	10,602

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 2022 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 2022

	As at 31-Dec-22 Unaudited RM'000	As at 30-Jun-22 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	100,388	97,831
Investment properties	33,736	33,518
Right-of-use assets	10,792	8,514
Investment in associate company	414	431
Amount due from a related party	2,223	2,188
Deferred tax assets	491	514
TOTAL NON-CURRENT ASSETS	148,044	142,996
Current assets		
Inventories	95,663	106,060
Trade receivables	76,948	71,323
Other receivables, deposits and prepayments	8,709	10,959
Contract assets	94	374
Amount due from associates	882	905
Amount due from a related party	209	293
Tax recoverable	8,716	8,684
Short term investment	57,180	59,769
Cash and bank balances	32,044	26,088
TOTAL CURRENT ASSETS	280,445	284,455
TOTAL ASSETS	428,489	427,451
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	73,865	73,735
Treasury shares	(15,571)	(15,571)
Reserves	295,059	290,647
	353,353	348,811
NON-CONTROLLING INTERESTS	29,859	28,735
TOTAL EQUITY	383,212	377,546
LIABILITIES		
Non-Current liabilities		
Lease liabilities	1,632	213
Long term borrowings	10,356	11,998
Other payable	695	675
Deferred tax liabilities	2,778	2,772
TOTAL NON-CURRENT LIABILITIES	15,461	15,658
Current liabilities		
Trade payables	14,576	19,124
Other payables and accruals	12,555	13,278
Lease liabilities	1,181	142
Short term borrowings	1,181	1,477
Current tax payable	323	226
TOTAL CURRENT LIABILITIES	29,816	34,247
TOTAL LIABILITIES	45,277	49,905
TOTAL EQUITY AND LIABILITIES	428,489	427,451
Net assets per share attributable to owners of the parent (RM) *	1.54	1.52

* 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 2022 with the accompanying explanatory notes attached to these interim financial statements.



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Current Year - To - date 31-Dec-22 RM'000	Preceding Year Corresponding Year 31-Dec-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,928	13,346
Adjustments for:		
Non-cash items	6,106	4,517
Non-operating items	(22)	(1,201)
Operating profit before changes in working capital	20,012	16,662
Changes in working capital:		
Inventories	9,639	3,764
Trade and other receivables	(4,187)	(6,859)
Trade and other payables	(3,651)	(4,616)
Cash generated from operating activities	21,813	8,951
Tax paid	(3,219)	(3,950)
Tax refund	46	444
Interest paid	(458)	(140)
Interest received	475	1,320
Net cash generated from operating activities	18,657	6,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(315)	(2,423)
Purchase of property, plant and equipment ("PPE")	(8,092)	(4,961)
Additional to right-of-use assets	-	(290)
Proceeds from disposal of PPE	-	10
Arising from incorporation of subsidiary	-	40
Payment for capital reduction	-	(440)
Net cash used in investing activities	(8,407)	(8,064)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(929)	(268)
Repayment of bank borrowings	(1,934)	(88)
Proceeds from issuance of new shares	90	280
Purchase of treasury shares	-	(370)
Dividend paid by the Company	(4,127)	(4,121)
Dividend paid by subsidiary to non-controlling interests	-	(100)
Net cash used in financing activities	(6,900)	(4,667)
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,350	(6,106)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	85,840	115,753
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	17	(349)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	89,207	109,298
The cash and cash equivalents comprise the following:-		
Cash & bank balances	31,697	34,979
Deposits with licensed banks	347	17
	32,044	34,996
Add : Short term investment	57,180	74,319
Less : Deposits pledged to licensed banks	(17)	(17)
	89,207	109,298

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 2022 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 PERIOD ENDED 31 DECEMBER 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	
Current year-to-date ended 31 December 2022									
As at 1 July 2022	73,735	(15,571)	454	5,113	14,288	270,792	348,811	28,735	377,546
Profit for the period	-	-	-	-	-	10,123	10,123	566	10,689
Other comprehensive loss - Foreign currency translation differences	-	-	-	(1,544)	-	-	(1,544)	(1,642)	(3,186)
Total comprehensive (loss) / income for the period	-	-	-	(1,544)	-	10,123	8,579	(1,076)	7,503
Contributions by and distributions to owners of the Company :									
Arising from additional investment in subsidiary	-	-	-	-	-	-	-	2,200	2,200
Dividends paid - by the Company	-	-	-	-	-	(4,127)	(4,127)	-	(4,127)
Employees' share option exercised	130	-	(40)	-	-	-	90	-	90
Total transactions with owners of the Company	130	-	(40)	-	-	(4,127)	(4,037)	2,200	(1,837)
As at 31 December 2022	73,865	(15,571)	414	3,569	14,288	276,788	353,353	29,859	383,212



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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'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 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 :									
Capital reduction by a subsidiary							-	(440)	(440)
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)
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

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 – 31 December 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 December 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 2022.

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 2022.

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	: Lease Liability in a Sale and Leaseback	1 January 2024
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



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Notes on the quarterly report – 31 December 2022

A2. Changes in Accounting Policies (Cont.)

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

The adoption of 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 but not effective</u>			<u>Effective date</u>
Amendments to MFRS 3	:	Reference to the Conceptual Framework	1 January 2022
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



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A3. Qualification of Annual Financial Statements

The latest audited consolidated financial statements of STC for the FYE 30 June 2022 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 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 December 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

Saved 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 December 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 252,239,100 STC Shares.

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

During the FPE 31 December 2022, a total number of 174,300 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,239,100 STC Shares as at 31 December 2022.



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A8. Dividend Paid

On 11 October 2022, the Company declared a tax-exempt single-tier interim dividend of RM0.018 per ordinary shares on 229,283,446 ordinary shares in respect of the financial year ending 30 June 2023 amounting to RM4,127,101 and paid on 28 November 2022 to shareholders whose names appeared in Company’s record of depositors on 31 October 2022.

In the previous year corresponding FPE 31 December 2021, the Company had on 12 October 2021, 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 RM4,121,190 and paid on 18 November 2021 to shareholders whose names appeared in Company’s record of depositors on 28 October 2021.

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-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM’000	RM’000	RM’000	RM’000
Revenue				
Malaysia	30,727	43,547	59,835	63,682
Overseas	36,624	30,073	65,103	55,818
	<u>67,351</u>	<u>73,620</u>	<u>124,938</u>	<u>119,500</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 December 2022 is as follows:

	RM’000
Approved and contracted for Property, plant and equipment	<u>1,349</u>

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

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



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Notes on the quarterly report – 31 December 2022

A13. Changes in the composition of the Group

Save as disclosed below, there was no changes in the composition of the Group during the FPE 31 December 2022.

- a) On 29 December 2022, the Company had subscribed an additional 3,300,000 ordinary share in Global-Pacific Manufacturing Sdn. Bhd. (“GPM”) at an issue price of RM1 each in the capital of GPM for cash by way of offsetting amount due from GPM of RM3,300,000.

Upon the subscription of shares, GPM 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.



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Notes on the quarterly report – 31 December 2022

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-22 RM'000	31-Dec-21 RM'000		31-Dec-22 RM'000	31-Dec-21 RM'000	
Revenue	67,351	73,620	-9%	124,938	119,500	5%
Profit before tax	9,186	11,295	-19%	13,928	13,346	4%
Taxation	(1,822)	(3,366)	-46%	(3,239)	(3,682)	-12%
Net profit after tax	7,364	7,929	-7%	10,689	9,664	11%
Profit attributable to Owners of the Company	6,550	7,369	-11%	10,123	9,169	10%

Current quarter review

The Group recorded a revenue of RM67.35 million for the current quarter ended 31 December 2022 as compared to RM73.62 million in the previous year corresponding quarter, showing a decrease of RM6.27 million or approximately 9%. Profit after tax (“PAT”) attributable to owners of the Company of RM6.55 million for the current quarter ended 31 December 2022 as compared to RM7.37 million in the previous year corresponding quarter, showing a decrease of RM0.82 million or approximately 11%.

The decrease of revenue and PAT was mainly due to lower sales recorded in local market despite higher sales recorded in overseas market 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.

Six months’ financial period review

The Group recorded a revenue of RM124.94 million for the FPE 31 December 2022 as compared to RM119.50 million in the previous year corresponding financial period, showing an increase of RM5.44 million or approximately 5%. PAT attributable to owners of the Company of RM10.12 million for the FPE 31 December 2022 as compared to RM9.17 million in the previous year corresponding financial period, showing an increase of RM0.95 million or approximately 10%.

The increase of revenue and PAT was mainly due to higher sales recorded in overseas market in the current financial period.

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”)
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Notes on the quarterly report – 31 December 2022

B2. Variation of Results against Preceding Quarter

	Current Quarter 31-Dec-22 RM'000	Preceding Quarter 30-Sep-22 RM'000	Changes (%)
Revenue	67,351	57,587	17%
Profit before tax	9,186	4,742	94%
Taxation	(1,822)	(1,417)	29%
Net profit after tax	7,364	3,325	121%
Profit attributable to Owners of the Company	6,550	3,573	83%

The Group recorded a revenue of RM67.35 million for the current quarter ended 31 December 2022 as compared to revenue of RM57.59 million in the preceding quarter showing an increase of RM9.76 million or 17%. PAT attributable to owners of the Company of RM6.55 million for the current quarter ended 31 December 2022 as compared to RM3.57 million in the preceding quarter, showing an increase of RM2.98 million or 83%.

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

B3. Prospects

The Group cautioned on the possible strain to global trades and production activities given the expected slowdown in global growth, particular in advanced economies; mainly due to the escalation of geopolitical tension, trade war, inflations, higher interest rate, and foreign exchange volatility.

Despite the prevailing challenging, the Group has been emphasizing on sustainability during recent years and progressively growing and developing its businesses, products range in transformers, lightings, aluminium die casting and intelligent lighting control system (“ILCS”) platform which included smart lighting, traffic adaptive illumination (“tai”), parking management, environment analysis, metering and internet of things (“IoT”) connections.

The Group is remains cautiously optimistic on the long-term business prospects in view of its solid foundation of the business and strong execution of strategies.

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



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Notes on the quarterly report – 31 December 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		6 Months Period Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Income tax	1,833	2,566	3,234	2,997
Deferred tax	(11)	800	5	685
Total	1,822	3,366	3,239	3,682

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



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Notes on the quarterly report – 31 December 2022

B6. Status of Corporate Proposals (Cont’d)

The total number of ESOS options granted, exercised or vested and outstanding since its commencement up to 28 February 2023 are set out in the table below:

Descriptions	Number of ESOS options	
	Grand total	Director [#]
Total number of options granted and accepted as at 15 December 2018	6,771,200	232,700
<u>FYE 30 June 2019</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(456,800)	-
<u>FYE 30 June 2020</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(788,100)	(69,800)
<u>FYE 30 June 2021</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(1,533,700)	-
<u>FYE 30 June 2022</u>		
Unexercised options lapsed due to staff resignations*	(1,030,500)	-
Options re-offered and accepted ^{*^}	1,143,200	35,900
ESOS options exercised	(788,000)	-
<u>FPE 30 September 2022</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(167,900)	-
<u>FPE 31 December 2022</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(6,400)	-
<u>From 1 January 2023 to 28 February 2023</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(84,500)	-
Total number of options outstanding as at 28 February 2023	3,058,500	198,800



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Notes on the quarterly report – 31 December 2022

B6. Status of Corporate Proposals (Cont’d)

Notes:

ESOS options granted to an eligible director, namely Dato’ Tan Wei Neng, being the Executive Director of the Company.

* The unexercised options lapsed due to staff resignations have been subsequently re-offered to other eligible employees and an executive director at an exercise price of RM0.54, at the discretion of the ESOS Committee in accordance with the ESOS By-Laws.

^ 112,700 ESOS options were re-offered to other eligible employees at an exercise price of RM0.54, at the discretion of the ESOS Committee in accordance with the ESOS By-Laws, as a result of non-acceptance of ESOS options by the eligible employees 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

B7. Group Borrowings

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

	Payable within 12 months RM’000	Payable after 12 months RM’000
<u>Secured</u> Bank borrowings	1,181	10,356

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

	Amount RM’000
Malaysian Ringgit	11,537



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Notes on the quarterly report – 31 December 2022

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.



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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 FPE 31 December 2022.

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit attributable to Owners of the Company (RM'000)	6,550	7,369	10,123	9,169
Weighted average number of STC Shares in issue ('000)	229,309	228,853	229,242	228,841
Basic earnings per STC Share (sen)	<u>2.86</u>	<u>3.22</u>	<u>4.41</u>	<u>4.01</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 FPE 31 December 2022 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit attributable to Owners of the Company (RM'000)	6,550	7,369	10,123	9,169
Weighted average number of STC Shares in issue ('000)	229,309	228,853	229,242	228,841
Adjusted for unexercised Employees Share Option Scheme ('000)	229,966	230,290	229,993	230,293
Diluted earnings per STC Share (sen)	<u>2.85</u>	<u>3.20</u>	<u>4.40</u>	<u>3.98</u>



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

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Other income / (loss)				
Fair value (gain)/loss on short-term investment	447	-	447	-
Gain on disposal of property, plant and equipment	2	-	8	11
Gain / (Loss) on foreign currency exchange	266	(86)	892	(76)
Interest income	463	615	475	1,320
Other income	77	231	174	320
Reversal of write down of inventories	-	3	-	33
Reversal of allowance for impairment losses on trade receivables	17		17	-
Allowance for impairment losses on trade receivables	(154)	-	(154)	-
Bad debt written off	(44)	-	(44)	-
Depreciation	(1,780)	(1,849)	(4,861)	(4,349)
Interest expense	(232)	(65)	(458)	(140)
Property, plant and equipment written off	5	-	(841)	-
Write down of inventories	(757)	(494)	(757)	(494)

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
28 February 2023