



**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 2023**

	<b>Current Quarter 31-Mar-23 RM'000</b>	<b>Comparative Quarter 31-Mar-22 RM'000</b>	<b>Cumulative 9 Months</b>	
			<b>31-Mar-23 RM'000</b>	<b>31-Mar-22 RM'000</b>
<b>Revenue</b>	52,013	55,084	176,951	174,584
<b>Operating profit</b>	4,536	7,362	18,447	19,528
Interest expense	(226)	(57)	(684)	(197)
Interest income	55	58	530	1,378
<b>Profit before taxation</b>	4,365	7,363	18,293	20,709
Taxation	(1,303)	(1,813)	(4,542)	(5,495)
<b>Profit for the period</b>	3,062	5,550	13,751	15,214
<b>Profit attributable to :</b>				
Owners of the Company	3,385	5,389	13,508	14,558
Non-controlling interests	(323)	161	243	656
	3,062	5,550	13,751	15,214
<b>Earnings per share (sen) :</b>				
Basic	1.48	2.35	5.89	6.36
Diluted	1.47	2.34	5.87	6.32
<b>Profit for the period</b>	3,062	5,550	13,751	15,214
<b>Other comprehensive (loss) / income</b>				
Currency translation differences for foreign operations	909	1	(2,277)	939
<b>Total comprehensive income for the period</b>	3,971	5,551	11,474	16,153
<b>Total comprehensive income / (loss) attributable to :</b>				
Owners of the Company	3,964	5,651	12,543	15,353
Non-controlling interests	7	(100)	(1,069)	800
<b>Total comprehensive income for the period</b>	3,971	5,551	11,474	16,153

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 MARCH 2023

	As at 31-Mar-23 Unaudited RM'000	As at 30-Jun-22 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	99,912	97,831
Investment properties	34,294	33,518
Right-of-use assets	10,454	8,514
Investment in associate company	421	431
Amount due from a related party	2,423	2,188
Deferred tax assets	509	514
<b>TOTAL NON-CURRENT ASSETS</b>	<b>148,013</b>	<b>142,996</b>
<b>Current assets</b>		
Inventories	96,016	106,060
Trade receivables	65,449	71,323
Other receivables, deposits and prepayments	11,738	10,959
Contract assets	47	374
Amount due from associates	698	905
Amount due from a related party	-	293
Tax recoverable	8,145	8,684
Short term investment	68,975	59,769
Cash and bank balances	35,412	26,088
<b>TOTAL CURRENT ASSETS</b>	<b>286,480</b>	<b>284,455</b>
<b>TOTAL ASSETS</b>	<b>434,493</b>	<b>427,451</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	73,935	73,735
Treasury shares	(15,571)	(15,571)
Reserves	299,009	290,647
	357,373	348,811
<b>NON-CONTROLLING INTERESTS</b>		
	29,866	28,735
<b>TOTAL EQUITY</b>	<b>387,239</b>	<b>377,546</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
Lease liabilities	1,694	213
Long term borrowings	16,050	11,998
Other payable	705	675
Deferred tax liabilities	2,847	2,772
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>21,296</b>	<b>15,658</b>
<b>Current liabilities</b>		
Trade payables	13,915	19,124
Other payables and accruals	10,083	13,278
Lease liabilities	823	142
Short term borrowings	787	1,477
Current tax payable	350	226
<b>TOTAL CURRENT LIABILITIES</b>	<b>25,958</b>	<b>34,247</b>
<b>TOTAL LIABILITIES</b>	<b>47,254</b>	<b>49,905</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>434,493</b>	<b>427,451</b>
<b>Net assets per share attributable to owners of the parent (RM) *</b>	<b>1.56</b>	<b>1.52</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 2022 with the accompanying explanatory notes attached to these interim financial statements.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2023

	Current Year - To - date 31-Mar-23 RM'000	Preceding Year Corresponding Year 31-Mar-22 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,293	20,709
Adjustments for:		
Non-cash items	8,615	6,545
Non-operating items	104	(1,203)
Operating profit before changes in working capital	27,012	26,051
Changes in working capital:		
Inventories	9,286	(9,866)
Trade and other receivables	5,111	(7,756)
Trade and other payables	(7,515)	(13,456)
Cash generated from operating activities	33,894	(5,027)
Tax paid	(3,861)	(4,881)
Tax refund	47	832
Interest paid	(684)	(197)
Interest received	530	1,378
<b>Net cash generated from operating activities</b>	<b>29,926</b>	<b>(7,895)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment properties	(315)	(2,148)
Purchase of property, plant and equipment ("PPE")	(9,025)	(18,624)
Additional to right-of-use assets	-	(292)
Proceeds from disposal of PPE	-	10
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>	<b>(9,340)</b>	<b>(27,043)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movement in fixed deposit pledged	(82)	-
Repayment of lease liabilities	(1,322)	(593)
Repayment of bank borrowings	(2,164)	(1,372)
Drawdown from bank borrowings	5,525	11,340
Proceeds from issuance of new shares	146	369
Purchase of treasury shares	-	(370)
Dividend paid by the Company	(4,127)	(4,121)
Dividend paid by subsidiary to non-controlling interests	-	(100)
<b>Net cash used in financing activities</b>	<b>(2,024)</b>	<b>5,153</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>18,562</b>	<b>(29,785)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>85,840</b>	<b>115,753</b>
<b>EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH &amp; CASH EQUIVALENTS</b>	<b>(114)</b>	<b>(671)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>104,288</b>	<b>85,297</b>
<b>The cash and cash equivalents comprise the following:-</b>		
Cash & bank balances	34,978	29,630
Deposits with licensed banks	434	1,754
	35,412	31,384
Add : Short term investment	68,975	53,930
Less : Deposits pledged to licensed banks	(99)	(17)
	104,288	85,297

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2023**

	← Non-distributable →				Distributable		Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	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			
<b>Current year-to-date ended 31 March, 2023</b>									
<b>As at 1 July 2022</b>	73,735	(15,571)	454	5,113	14,288	270,792	348,811	28,735	377,546
Profit for the period	-	-	-	-	-	13,508	13,508	243	13,751
Other comprehensive loss - Foreign currency translation differences	-	-	-	(965)	-	-	(965)	(1,312)	(2,277)
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	(965)	-	13,508	12,543	(1,069)	11,474
<b>Contributions by and distributions to owners of the Company :</b>									
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	200	-	(54)	-	-	-	146	-	146
<b>Total transactions with owners of the Company</b>	200	-	(54)	-	-	(4,127)	(3,981)	2,200	(1,781)
<b>As at 31 March, 2023</b>	<b>73,935</b>	<b>(15,571)</b>	<b>400</b>	<b>4,148</b>	<b>14,288</b>	<b>280,173</b>	<b>357,373</b>	<b>29,866</b>	<b>387,239</b>

**SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")**  
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**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'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 March 31, 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
Employees' share option granted	-	-	-	-	-	-	-	-	-
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

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 2022 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 March 2023**

**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 2023 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 financial year ended (“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)**

<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 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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 31 March 2023**

**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: -

<b><u>Standard issued</u></b>			<b><u>Effective date</u></b>
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



**Notes on the quarterly report – 31 March 2023**

**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 March 2023.

**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 2023.

**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 March 2023, 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 252,333,100 STC Shares.

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

During the FPE 31 March 2023, a total number of 268,300 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,333,100 STC Shares as at 31 March 2023.





**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 31 March 2023**

**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 March 2022, 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 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.

**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-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Revenue				
Malaysia	27,623	28,545	87,458	92,227
Overseas	24,390	26,539	89,493	82,357
	<u>52,013</u>	<u>55,084</u>	<u>176,951</u>	<u>174,584</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 2023 is as follows:

	<b>RM’000</b>
Approved and contracted for Property, plant and equipment	<u>185</u>

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

There were no material events subsequent to the FPE 31 March 2023.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 31 March 2023**

**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 March 2023.

- 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.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 31 March 2023**

**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-23 RM'000	31-Mar-22 RM'000		31-Mar-23 RM'000	31-Mar-22 RM'000	
Revenue	52,013	55,084	-6%	176,951	174,584	1%
Profit before tax	4,365	7,363	-41%	18,293	20,709	-12%
Taxation	(1,303)	(1,813)	-28%	(4,542)	(5,495)	-17%
<b>Net profit after tax</b>	<b>3,062</b>	<b>5,550</b>	<b>-45%</b>	<b>13,751</b>	<b>15,214</b>	<b>-10%</b>
<b>Profit attributable to Owners of the Company</b>	<b>3,385</b>	<b>5,389</b>	<b>-37%</b>	<b>13,508</b>	<b>14,558</b>	<b>-7%</b>

**Current quarter review**

The Group recorded a revenue of RM52.01 million for the current quarter ended 31 March 2023 as compared to RM55.08 million in the previous year corresponding quarter, showing a decrease of RM3.07 million or approximately 6%. The decrease of revenue was mainly due to lower sales recorded in both local and overseas market.

Profit after tax (“PAT”) attributable to owners of the Company of RM3.39 million for the current quarter ended 31 March 2023 as compared to RM5.39 million in the previous year corresponding quarter, showing a decrease of RM2 million or approximately 37%. The decrease of PAT was mainly due to lower sales recorded, a lower gross profit margin and higher operation cost incurred in 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.

**Nine months’ financial period review**

The Group recorded a revenue of RM176.95 million for the FPE 31 March 2023 as compared to RM174.58 million in the previous year corresponding financial period, showing an increase of RM2.37 million or approximately 1%. The increase of revenue was mainly due to higher sales recorded in overseas market in current financial period.

PAT attributable to owners of the Company of RM13.51 million for the FPE 31 March 2023 as compared to RM14.56 million in the previous year corresponding financial period, showing a decrease of RM1.05 million or approximately 7%. The decrease in PAT was mainly due to a higher operation cost incurred despite increase in revenue.

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 March 2023**

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

	<b>Current Quarter 31-Mar-23 RM'000</b>	<b>Preceding Quarter 31-Dec-22 RM'000</b>	<b>Changes (%)</b>
Revenue	52,013	67,351	-23%
Profit before tax	4,365	9,186	-52%
Taxation	<u>(1,303)</u>	<u>(1,822)</u>	-28%
<b>Net profit after tax</b>	<b><u>3,062</u></b>	<b><u>7,364</u></b>	-58%
<b>Profit attributable to Owners of the Company</b>	<b>3,385</b>	<b>6,550</b>	-48%

The Group recorded a revenue of RM52.01 million for the current quarter ended 31 March 2023 as compared to revenue of RM67.35 million in the preceding quarter showing a decrease of RM15.34 million or 23%. PAT attributable to owners of the Company of RM3.38 million for the current quarter ended 31 March 2023 as compared to RM6.55 million in the preceding quarter, showing a decrease of RM3.16 million or 48%.

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

**B3. Prospects**

The global economy is projected to slow down and any new adverse development in escalation of geopolitical tension, higher-than –expected inflations, and abrupt rises in interest rate could push the global economy into recession.

Against this backdrop, the Group still remain vigilant of the challenges 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.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)  
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**Notes on the quarterly report – 31 March 2023**

**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**

	<b>3 Months Period Ended</b>		<b>9 Months Period Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	1,233	2,189	4,467	5,186
Deferred tax	70	(376)	75	309
<b>Total</b>	<b>1,303</b>	<b>1,813</b>	<b>4,542</b>	<b>5,495</b>

The effective tax rate for current quarter is higher than statutory tax rate was mainly due to the under-provision tax expense in prior year and loss incurred in subsidiaries.

**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. On 23 May 2023, pursuant to Clause 18.3 of the By-Laws of the ESOS, upon recommendation of the ESOS Committee, the Board has approved the extension of the duration of the ESOS, which will be expiring on 2 July 2023, for a period from 3 July 2023 to 2 July 2028.

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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**B6. Status of Corporate Proposals (Cont’d)**

The total number of ESOS options granted, exercised or vested and outstanding since its commencement up to 23 May 2023 are set out in the table below:

Descriptions	Number of ESOS options	
	Grand total	Director <sup>#</sup>
Total number of options granted and accepted as at 15 December 2018	6,771,200	232,700
<b><u>FYE 30 June 2019</u></b>		
ESOS options granted and accepted	-	-
ESOS options exercised	(456,800)	-
<b><u>FYE 30 June 2020</u></b>		
ESOS options granted and accepted	-	-
ESOS options exercised	(788,100)	(69,800)
<b><u>FYE 30 June 2021</u></b>		
ESOS options granted and accepted	-	-
ESOS options exercised	(1,533,700)	-
<b><u>FYE 30 June 2022</u></b>		
Unexercised options lapsed due to staff resignations*	(1,030,500)	-
Options re-offered and accepted <sup>*^</sup>	1,143,200	35,900
ESOS options exercised	(788,000)	-
<b><u>FPE 31 March 2023</u></b>		
ESOS options granted and accepted	-	-
ESOS options exercised	(268,300)	-
<b><u>From 1 April 2023 to 26 May 2023</u></b>		
ESOS options granted and accepted	-	-
ESOS options exercised	(8,900)	-
<b>Total number of options outstanding as at 26 May 2023</b>	<b>3,040,100</b>	<b>198,800</b>



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**B7. 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 March 2023 were as follows:

	<b>Payable within 12 months RM’000</b>	<b>Payable after 12 months RM’000</b>
<u>Secured</u>		
Bank borrowings	787	16,050

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

	<b>Amount RM’000</b>
Malaysian Ringgit	16,762
Indonesia Rupiah	75



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**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.

**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 March 2023.

	<b>3 Months Period Ended</b>		<b>9 Months Period Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Profit attributable to Owners of the Company (RM'000)	3,385	5,389	13,508	14,558
Weighted average number of STC Shares in issue ('000)	229,359	228,953	229,272	228,878
Basic earnings per STC Share (sen)	<u>1.48</u>	<u>2.35</u>	<u>5.89</u>	<u>6.36</u>





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**(b) Diluted**

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the current quarter and FPE 31 March 2023 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	<b>3 Months Period Ended</b>		<b>9 Months Period Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Profit attributable to Owners of the Company (RM'000)	3,385	5,389	13,508	14,558
Weighted average number of STC Shares in issue ('000)	229,359	228,953	229,272	228,878
Adjusted for unexercised Employees Share Option Scheme ('000)	230,057	229,998	230,008	230,208
Diluted earnings per STC Share (sen)	<u>1.47</u>	<u>2.34</u>	<u>5.87</u>	<u>6.32</u>



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

	3 Months Period Ended		9 Months Period Ended	
	31-Mar-23 RM'000	31-Mar-22 RM'000	31-Mar-23 RM'000	31-Mar-22 RM'000
<b>Other income / (loss)</b>				
Fair value gain/(loss) on short-term investment	1,303	-	1,750	-
Gain on disposal of property, plant and equipment	44	-	52	11
Gain from acquisition of a subsidiary	-	711	-	711
Gain / (Loss) on foreign currency exchange	348	(21)	1,240	(97)
Interest income	55	58	530	1,378
Other income	319	287	493	607
Reversal of write down of inventories	-	-	-	33
Reversal of allowance for impairment losses on trade receivables	-	-	17	-
Allowance for impairment losses on trade receivables	-	-	(154)	-
Bad debt written off	(1)	(17)	(45)	(17)
Depreciation	(2,404)	(2,341)	(7,265)	(6,690)
Interest expense	(226)	(57)	(684)	(197)
Property, plant and equipment written off	(112)	(16)	(953)	(16)
Write down of inventories	-	(346)	(757)	(840)

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  
26 May 2023