



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 2023**

	Current Quarter 30-Jun-23 RM'000	Comparative Quarter 30-Jun-22 RM'000	Cumulative 12 Months	
			30-Jun-23 RM'000	30-Jun-22 RM'000
Revenue	59,029	56,908	235,980	231,492
Operating profit	8,849	8,235	27,296	27,763
Interest expense	(275)	(169)	(959)	(366)
Interest income	462	528	992	1,906
Profit before taxation	9,036	8,594	27,329	29,303
Taxation	(1,835)	(1,279)	(6,377)	(6,774)
Profit for the period	7,201	7,315	20,952	22,529
Profit attributable to :				
Owners of the Company	6,275	5,936	19,783	20,494
Non-controlling interests	926	1,379	1,169	2,035
	7,201	7,315	20,952	22,529
Earnings per share (sen) :				
Basic	2.74	2.59	8.63	8.95
Diluted	2.73	2.56	8.60	8.89
Profit for the period	7,201	7,315	20,952	22,529
Other comprehensive (loss) / income				
Currency translation differences for foreign	(1,257)	(944)	(3,534)	(5)
Total comprehensive income for the period	5,944	6,371	17,418	22,524
Total comprehensive income / (loss) attributable to :				
Owners of the Company	5,038	5,172	17,581	20,525
Non-controlling interests	906	1,199	(163)	1,999
Total comprehensive income for the period	5,944	6,371	17,418	22,524

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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	As at 30-Jun-23 Unaudited RM'000	As at 30-Jun-22 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	100,082	97,831
Investment properties	34,191	33,518
Right-of-use assets	10,533	8,514
Investment in associate company	321	431
Amount due from a related party	2,040	2,188
Deferred tax assets	262	514
TOTAL NON-CURRENT ASSETS	147,429	142,996
Current assets		
Inventories	96,502	106,060
Trade receivables	71,358	71,323
Other receivables, deposits and prepayments	5,928	10,959
Contract assets	342	374
Amount due from associates	694	905
Amount due from a related party	184	293
Tax recoverable	7,121	8,684
Short term investment	76,462	59,769
Cash and bank balances	38,608	26,088
TOTAL CURRENT ASSETS	297,199	284,455
TOTAL ASSETS	444,628	427,451
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	73,943	73,735
Treasury shares	(15,571)	(15,571)
Reserves	304,045	290,647
	362,417	348,811
NON-CONTROLLING INTERESTS	29,481	28,735
TOTAL EQUITY	391,898	377,546
LIABILITIES		
Non-Current liabilities		
Lease liabilities	1,730	213
Long term borrowings	14,505	11,998
Other payable	715	675
Deferred tax liabilities	2,915	2,772
TOTAL NON-CURRENT LIABILITIES	19,865	15,658
Current liabilities		
Trade payables	15,435	19,124
Other payables and accruals	14,722	13,278
Lease liabilities	432	142
Short term borrowings	1,924	1,477
Current tax payable	352	226
TOTAL CURRENT LIABILITIES	32,865	34,247
TOTAL LIABILITIES	52,730	49,905
TOTAL EQUITY AND LIABILITIES	444,628	427,451
Net assets per share attributable to owners of the parent (RM)	1.58	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")
(200301034518) (636939-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	← Non-distributable					→ Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Employees Share Option Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
Current year-to-date ended 30 June, 2023										
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 year	-	-	-	-	-	-	19,783	19,783	1,169	20,952
Other comprehensive loss										
- Foreign currency translation differences	-	-	-	-	(2,202)	-	-	(2,202)	(1,332)	(3,534)
Total comprehensive (loss) / income for the period	-	-	-	-	(2,202)	-	19,783	17,581	(163)	17,418
Contributions by and distributions to owners of the Company :										
Arising from additional investment in subsidiary	-	-	-	-	-	-	-	-	2,200	2,200
Arising from incorporation of subsidiary	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	-	-	-	-	-
Dividends paid										
- by the Company	-	-	-	-	-	-	(4,127)	(4,127)	-	(4,127)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(1,291)	(1,291)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-	-
Employees' share option exercised	208	-	-	(56)	-	-	-	152	-	152
Employees' share option granted	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	208	-	-	(56)	-	-	(4,127)	(3,975)	909	(3,066)
As at 30 June, 2023	73,943	-	(15,571)	398	2,911	14,288	286,448	362,417	29,481	391,898

SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	← Non-distributable				→ Distributable					
	Share Capital RM'000	Share Premium 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 June 30, 2022										
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 year	-	-	-	-	-	-	19,241	19,241	2,021	21,262
Other comprehensive income										
- Foreign currency translation differences	-	-	-	-	(61)	-	-	(61)	389	328
Total comprehensive income for the period	-	-	-	-	(61)	-	19,241	19,180	2,410	21,590
Contributions by and distributions to owners of the Company :										
Capital reduction by a subsidiary								-	-	-
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	-	-	93	93	(93)	-
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	-	-	-	-	-	-	-	-	(2,620)	(2,620)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	(440)	(440)
Employees' share option exercised	586	-	-	(161)	-	-	-	425	-	425
Purchase of treasury shares	-	-	(370)	-	-	-	-	(370)	-	(370)
Total transactions with owners of the Company	586	-	(370)	(161)	-	-	(4,028)	(3,973)	2,839	(1,134)
As at 30 June, 2022	73,735	-	(15,571)	454	5,113	14,288	270,792	348,811	28,735	377,546

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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Current Year - To - date 30-Jun-23 RM'000	Preceding Year Corresponding Year 30-Jun-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,329	29,303
Adjustments for:		
Non-cash items	8,919	8,699
Non-operating items	(121)	(1,561)
Operating profit before changes in working capital	<u>36,127</u>	<u>36,441</u>
Changes in working capital:		
Inventories	8,645	(17,314)
Trade and other receivables	5,050	(2,651)
Trade and other payables	(1,254)	(9,258)
Cash generated from operating activities	<u>48,568</u>	<u>7,218</u>
Tax paid	(4,453)	(6,498)
Tax refund	34	1,145
Interest paid	(959)	(366)
Interest received	992	1,906
Net cash generated from operating activities	<u><u>44,182</u></u>	<u><u>3,405</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(2,302)
Purchase of property, plant and equipment ("PPE")	(11,405)	(24,716)
Additional to right-of-use assets	(551)	(351)
Proceeds from disposal of PPE	107	10
Proceeds from disposal of investment property	-	-
Arising from incorporation of subsidiary	-	40
Payment for capital reduction	-	(468)
Increase of investment in subsidiary	-	-
Net cash outflow from acquisition of subsidiary	-	(5,589)
Net cash used in investing activities	<u><u>(11,849)</u></u>	<u><u>(33,376)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposit pledged	(81)	(337)
Repayment of lease liabilities	(1,720)	(948)
Repayment of bank borrowings	(2,095)	(1,595)
Net movement in trade bills	-	-
Drawdown from bank borrowings	5,525	11,340
Proceeds from issuance of new shares	152	425
Purchase of treasury shares	-	(370)
Dividend paid by the Company	(4,127)	(4,121)
Dividend paid by subsidiary to non-controlling interests	(1,291)	(2,620)
Net cash used in financing activities	<u><u>(3,637)</u></u>	<u><u>1,774</u></u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	28,696	(28,197)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	85,840	115,753
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	434	(571)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>114,970</u></u>	<u><u>86,985</u></u>
The cash and cash equivalents comprise the following:-		
Cash & bank balances	38,173	25,741
Deposits with licensed banks	435	354
	<u>38,608</u>	<u>26,095</u>
Add : Short term investment	76,462	61,244
Less : Deposits pledged to licensed banks	(100)	(354)
	<u><u>114,970</u></u>	<u><u>86,985</u></u>

The unaudited Condensed Consolidation Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 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 – 30 June 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 year ended (“FYE”) 30 June 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 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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2023

A2. Changes in Accounting Policies (Cont’d)

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</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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 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 FYE 30 June 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 FYE 30 June 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 year under review.

a) Share Buy Back

As at 30 June 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 252,344,000 STC Shares.

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

During the FYE 30 June 2023, a total number of 279,200 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,344,000 STC Shares as at 30 June 2023.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 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 STC Shares in respect of the FYE 30 June 2023 amounting to RM4,127,102 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 FYE 30 June 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 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.

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		12 Months Year Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	29,762	27,032	117,215	119,259
Overseas	29,267	29,876	118,765	112,233
	<u>59,029</u>	<u>56,908</u>	<u>235,980</u>	<u>231,492</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.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2023

A11. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2023 is as follows:

	RM’000
Approved and contracted for Property, plant and equipment	<u>705</u>

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

There were no material events subsequent to the FYE 30 June 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 FYE 30 June 2023.

- a) On 2 October 2022, Nikkon Lighting Pty Ltd (“NLPL”), a wholly-owned subsidiary of STC has deregistered from Australian Securities & Investments Commission. Arising from that, NLPL has ceased to be subsidiary of the Company.
- b) 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 – 30 June 2023

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

B1. Review of Performance

	3 Months Period Ended		Changes (%)	12 Months Year Ended		Changes (%)
	30-Jun-23 RM'000	30-Jun-22 RM'000		30-Jun-23 RM'000	30-Jun-22 RM'000	
Revenue	59,029	56,908	4%	235,980	231,492	2%
Profit before tax	9,036	8,594	5%	27,329	29,303	-7%
Taxation	(1,835)	(1,279)	43%	(6,377)	(6,774)	-6%
Net profit after tax	<u>7,201</u>	<u>7,315</u>	-2%	<u>20,952</u>	<u>22,529</u>	-7%
Profit attributable to Owners of the Company	<u>6,275</u>	<u>5,936</u>	6%	<u>19,783</u>	<u>20,494</u>	-3%

Current quarter review

The Group recorded a revenue of RM59.03 million for the current quarter ended 30 June 2023 as compared to RM56.91 million in the previous year corresponding quarter, showing an increase of RM2.12 million or approximately 4%. The increase of revenue was mainly due to higher sales recorded in local market.

Profit after tax (“PAT”) attributable to owners of the Company of RM6.28 million for the current quarter ended 30 June 2023 as compared to RM5.94 million in the previous year corresponding quarter, showing an increase of RM0.34 million or approximately 6%. The increase of PAT was mainly due to gain on foreign currency exchange 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.

Twelve months’ financial year review

The Group recorded a revenue of RM235.98 million for the FYE 30 June 2023 as compared to RM231.49 million in the previous year corresponding financial year, showing an increase of RM4.49 million or approximately 2%. The increase of revenue was mainly due to higher sales recorded in oversea market in current financial year.

Profit after tax (“PAT”) attributable to owners of the Company of RM19.78 million for the FYE 30 June 2023 as compared to RM20.49 million in the previous year corresponding financial year, showing a decrease of RM0.71 million or approximately 3%. 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 – 30 June 2023

B2. Variation of Results against Preceding Quarter

	Current Quarter 30-Jun-23 RM'000	Preceding Quarter 31-Mar-23 RM'000	Changes (%)
Revenue	59,029	52,013	13%
Profit before tax	9,036	4,365	107%
Taxation	<u>(1,835)</u>	<u>(1,303)</u>	41%
Net profit after tax	<u>7,201</u>	<u>3,062</u>	135%
Profit attributable to Owners of the Company	6,275	3,385	85%

The Group recorded a profit before tax of RM9.04 million for the current quarter ended 30 June 2023 as compared to RM4.37 million in the preceding quarter ended 31 March 2023, showing an increase of RM4.67 million or approximately 107%. This was mainly due to gain on foreign currency exchange and increase in sales in both local and overseas markets.

B3. Prospects

While the global economy is on the road to recovery, it continues to face challenges and uncertainties. Rising inflationary pressures from factors such as surrounding trade dispute policies and barrier, currency depreciation, higher raw material prices and natural disaster have impacted the market volatility.

However, the Group remains vigilant about the challenges and continues to make progressive developments in the business by expanding its product range.

In the transformer products, we are experiencing robust demand from data centres, industrial machinery and the medical industry. The recent need for efficient cloud storage management has further driven growth of transformer demand in the data centre industry.

Globally, the emphasis on and recognition of environmental, social and governance (“ESG”) factors have grown significantly in recent years, leading to increased demand for governments, companies, and other stakeholders worldwide to practices and emphasizing on the ESG sustainability agenda. The energy transition and master ESG with green technology will get ahead to drive an increased demand in energy saving products like LED Lighting, Intelligent Lighting, Control System and Sensors.



Notes on the quarterly report – 30 June 2023

B3. Prospects (Cont’d)

To be aligned with the growing demand of ESG data to address economic, social and ecological challenges of the city, the applications of our in house brand ILCS for the intelligent lighting control system ("iLCS") which include smart lighting, traffic adaptive illumination (tai), parking management, environment analysis, smart metering and internet of things (IoT) connections. can generate valuable information and data to operators, municipalities, and other stakeholders for better ESG practices and disclosures give us a good prospect and better market position.

In our die-casting products, beside to continue our business expansion as the OEM Partner for aluminium die-casting parts in the global market, we have expanded our range of motorcycle component parts for the after-sales motorcycle spare parts industry and strengthen our position as a trusted supplier in this thriving market.

In conclusion, the management will keep re-assess the goals and strategies of the Group to ensure business resilience and are committed to observing and adhering to ongoing policies and requirements related to sustainability.

Based on our projections, we anticipate that the financial performance for financial year ending 30 June 2024 will remain satisfactory and together we work towards a more sustainable future.

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 Year Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	RM'000	RM'000	RM'000	RM'000
Income tax	1,504	1,407	5,971	6,593
Deferred tax	331	(128)	406	181
Total	<u>1,835</u>	<u>1,279</u>	<u>6,377</u>	<u>6,774</u>

The effective tax rate for current quarter and FYE 30 June 2023 is lower than statutory tax rate was mainly due to the non-taxable income recognised and unrealised gain on foreign currency exchange.



Notes on the quarterly report – 30 June 2023

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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Notes on the quarterly report – 30 June 2023

B6. Status of Corporate Proposals (Cont’d)

The total number of ESOS options granted, exercised or vested and outstanding since its commencement up to 30 August 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>FYE 30 June 2023</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(279,200)	-
<u>From 1 July 2023 to 30 August 2023</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(7,500)	-
Total number of options outstanding as at 30 August 2023	3,030,600	198,800



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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 30 June 2023 were as follows:

	Payable within 12 months RM’000	Payable after 12 months RM’000
<u>Secured</u>		
Bank borrowings	1,924	14,505

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

	Amount RM’000
Malaysian Ringgit	16,359
Indonesia Rupiah	70



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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 FYE 30 June 2023.

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Profit attributable to Owners of the Company (RM'000)	6,275	5,936	19,783	20,494
Weighted average number of STC Shares in issue ('000)	229,393	229,106	229,302	228,935
Basic earnings per STC Share (sen)	<u>2.74</u>	<u>2.59</u>	<u>8.63</u>	<u>8.95</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 FYE 30 June 2023 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Profit attributable to Owners of the Company (RM'000)	6,275	5,936	19,783	20,494
Weighted average number of STC Shares in issue ('000)	229,393	229,106	229,302	228,935
Adjusted for unexercised Employees Share Option Scheme ('000)	229,901	231,882	229,981	230,625
Diluted earnings per STC Share (sen)	<u>2.73</u>	<u>2.56</u>	<u>8.60</u>	<u>8.89</u>



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

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-23 RM'000	30-Jun-22 RM'000	30-Jun-23 RM'000	30-Jun-22 RM'000
Other income / (loss)				
Fair value gain/(loss) on short-term investment	421	-	2,171	-
(Loss) / Gain on disposal of investment property	-	-	-	11
Gain on disposal of property, plant and equipment	38	-	90	11
Gain from acquisition of a subsidiary	-	-	-	711
Gain / (Loss) on foreign currency exchange	2,445	1,566	3,685	1,469
Imputed interest income from long term trade receivables	-	51	-	51
Interest income	462	477	992	1,855
Other income	320	151	813	758
Reversal of write down of inventories	56	266	56	299
Reversal of allowance for impairment losses on trade receivable	243	160	260	160
Bad debt written off	-	(22)	(45)	(39)
Allowance for impairment losses on trade receivables	(556)	(448)	(710)	(448)
Depreciation	(2,503)	(2,291)	(9,768)	(8,981)
Interest expense	(276)	(169)	(960)	(366)
Property, plant and equipment written off	-	(209)	(854)	(225)
Gain from strike-off of a subsidiary	1,167	-	1,167	-
Write down of inventories	(211)	(67)	(968)	(907)

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
30 Aug 2023