



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 2023**

	Current Quarter 31-Dec-23 RM'000	Comparative Quarter 31-Dec-22 RM'000	Cumulative 6 Months	
			31-Dec-23 RM'000	31-Dec-22 RM'000
Revenue	66,748	67,351	128,730	124,938
Operating profit	8,769	8,955	14,812	13,911
Interest expense	(245)	(232)	(518)	(458)
Interest income	161	463	394	475
Profit before taxation	8,685	9,186	14,688	13,928
Taxation	(1,877)	(1,822)	(3,421)	(3,239)
Profit for the period	6,808	7,364	11,267	10,689
Profit attributable to :				
Owners of the Company	6,826	6,550	11,304	10,123
Non-controlling interests	(18)	814	(37)	566
	6,808	7,364	11,267	10,689
Earnings per share (sen) :				
Basic	2.93	2.86	4.90	4.42
Diluted	2.92	2.85	4.87	4.40
Profit for the period	6,808	7,364	11,267	10,689
Other comprehensive (loss) / income				
Currency translation differences for foreign operations	(59)	(2,380)	(176)	(3,186)
Total comprehensive income for the period	6,749	4,984	11,091	7,503
Total comprehensive income / (loss) attributable to :				
Owners of the Company	6,700	4,925	11,048	8,579
Non-controlling interests	49	59	43	(1,076)
Total comprehensive income for the period	6,749	4,984	11,091	7,503

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 2023 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 2023

	As at 31-Dec-23 Unaudited RM'000	As at 30-Jun-23 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	90,169	97,463
Investment properties	46,400	40,448
Right-of-use assets	5,824	6,900
Investment in associate company	323	321
Trade Receivables	2,153	2,153
Amount due from a related party	2,138	1,995
Deferred tax assets	250	262
TOTAL NON-CURRENT ASSETS	147,257	149,542
Current assets		
Inventories	92,739	96,666
Trade receivables	74,810	69,178
Other receivables, deposits and prepayments	5,345	7,773
Contract assets	49	342
Amount due from associates	813	694
Amount due from a related party	399	355
Tax recoverable	4,303	7,083
Short term investment	87,944	76,462
Cash and bank balances	34,717	38,528
TOTAL CURRENT ASSETS	301,119	297,081
TOTAL ASSETS	448,376	446,623
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	74,264	73,943
Treasury shares	(11,678)	(15,571)
Reserves	307,721	304,049
	370,307	362,421
NON-CONTROLLING INTERESTS	29,524	29,481
TOTAL EQUITY	399,831	391,902
LIABILITIES		
Non-Current liabilities		
Lease liabilities	172	294
Long term borrowings	13,628	14,898
Other payable	-	715
Deferred tax liabilities	2,966	2,949
TOTAL NON-CURRENT LIABILITIES	16,766	18,856
Current liabilities		
Trade payables	10,758	16,182
Other payables and accruals	18,442	15,994
Lease liabilities	1,097	1,869
Short term borrowings	1,141	1,530
Current tax payable	341	290
TOTAL CURRENT LIABILITIES	31,779	35,865
TOTAL LIABILITIES	48,545	54,721
TOTAL EQUITY AND LIABILITIES	448,376	446,623
Net assets per share attributable to owners of the parent (RM) *	1.57	1.58

* 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 2023 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 2023

	Current Year - To - date 31-Dec-23 RM'000	Preceding Year Corresponding Year 31-Dec-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,688	13,928
Adjustments for:		
Non-cash items	7,265	6,106
Non-operating items	83	(22)
Operating profit before changes in working capital	<u>22,036</u>	<u>20,012</u>
Changes in working capital:		
Inventories	3,164	9,639
Trade and other receivables	(3,856)	(4,187)
Trade and other payables	(3,752)	(3,651)
Cash generated from operating activities	<u>17,592</u>	<u>21,813</u>
Tax paid	(917)	(3,219)
Tax refund	338	46
Interest paid	(518)	(458)
Interest received	394	475
Net cash generated from operating activities	<u>16,889</u>	<u>18,657</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(315)
Purchase of property, plant and equipment ("PPE")	(3,080)	(8,092)
Additional to right-of-use assets	(55)	-
Proceeds from disposal of PPE	66	-
Net cash used in investing activities	<u>(3,069)</u>	<u>(8,407)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(838)	(929)
Repayment of bank borrowings	(1,651)	(1,934)
Drawdown from bank borrowings	-	-
Proceeds from issuance of new shares	51	90
Purchase of treasury shares	-	-
Dividend paid by the Company	(3,213)	(4,127)
Dividend paid by subsidiary to non-controlling interests	-	-
Net cash used in financing activities	<u>(5,651)</u>	<u>(6,900)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	8,169	3,350
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	114,972	85,840
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	(497)	17
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>122,644</u></u>	<u><u>89,207</u></u>
The cash and cash equivalents comprise the following:-		
Cash & bank balances	34,407	31,697
Deposits with licensed banks	310	347
	<u>34,717</u>	<u>32,044</u>
Add : Short term investment	87,944	57,180
Less : Deposits pledged to licensed banks	(17)	(17)
	<u><u>122,644</u></u>	<u><u>89,207</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 2023 with the accompanying explanatory notes attached to these interim financial



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

	← 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, 2023									
As at 1 July 2023	73,943	(15,571)	397	2,919	14,288	286,445	362,421	29,481	391,902
Profit for the period	-	-	-	-	-	11,304	11,304	(37)	11,267
Other comprehensive (loss)/income - Foreign currency translation differences	-	-	-	(256)	-	-	(256)	80	(176)
Total comprehensive (loss) / income for the period	-	-	-	(256)	-	11,304	11,048	43	11,091
Contributions by and distributions to owners of the Company :									
Dividends paid to owners of the company - by Cash Dividend	-	-	-	-	-	(3,213)	(3,213)	-	(3,213)
- by Share Dividend	252	3,893	-	-	-	(4,145)	-	-	-
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-
Employees' share option exercised	69	-	(18)	-	-	-	51	-	51
Total transactions with owners of the Company	321	3,893	(18)	-	-	(7,358)	(3,162)	-	(3,162)
As at 31 December, 2023	74,264	(11,678)	379	2,663	14,288	290,391	370,307	29,524	399,831



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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
Preceding year corresponding period ended December 31, 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)/income - Foreign currency translation differences	-	-	-	(1,544)	-	-	(1,544)	(1,642)	(3,186)
Total comprehensive 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 to owners of the company - Cash dividend	-	-	-	-	-	(4,127)	(4,127)	-	(4,127)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-
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

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 2023 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 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 December 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 2023.

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 2023.

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
Amendments to MFRS 101	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	: Lack of Exchangeability	1 January 2025



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Notes on the quarterly report – 31 December 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>
MFRS 17 and Amendments to MFRS 17 Insurance Contracts	: Insurance Contracts	1 January 2023
Amendments to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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
Amendments to MFRS 112	: International Tax Reform- Pillar Two Model Rules	1 January 2023



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Notes on the quarterly report – 31 December 2023

A3. Qualification of Annual Financial Statements

The latest audited consolidated financial statements of STC for the FYE 30 June 2023 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 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 December 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

On 28 November 2023, the Company distributed 5,736,649 treasury shares as share dividend to shareholders whose names appeared in the Company’s record of depositors on 30 October 2023 on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in STC (“**STC Share(s)**”). Further details on the share dividend are set out in Note A8 below.

After the share dividend, a total of 17,212,605 STC Shares were held as treasury shares at an average cost of RM0.6785 per STC Share out of its 252,435,800 STC Shares as at 31 December 2023.

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

During the FPE 31 December 2023, a total number of 84,300 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,435,800 STC Shares as at 31 December 2023.



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A8. Dividend Paid

On 10 October 2023, the Company declared the following dividends on 229,486,546 STC Shares in respect of the financial year ending 30 June 2024 to the shareholders whose names appeared in Company’s record of depositors on 30 October 2023: -

- (a) tax-exempt single-tier interim dividend of RM0.014 per STC Shares amounting to RM3,212,810.65 and paid on 28 November 2023; and
- (b) share dividend in the form of distribution of treasury shares on the basis of one (1) treasury share for every forty (40) existing STC Shares held amounting to 5,736,649 treasury shares or equivalent to RM3,892,316 based on the treasury shares book cost. The share dividend was fully credited into the entitled Depositors’ Securities Accounts maintained with Bursa Malaysia Depository Sdn. Bhd on 28 November 2023.

In the previous year corresponding FPE 31 December 2022, the Company had on 11 October 2022, 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 RM4,127,101 and paid on 28 November 2022 to shareholders whose names appeared in Company’s record of depositors on 31 October 2022.

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-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	33,622	30,727	66,365	59,835
Overseas	33,126	36,624	62,365	65,103
	<u>66,748</u>	<u>67,351</u>	<u>128,730</u>	<u>124,938</u>



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Notes on the quarterly report – 31 December 2023

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 2023 is as follows:

	RM'000
Approved and contracted for Property, plant and equipment	<u>331</u>

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

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

A13. Changes in the composition of the Group

There were no changes in the composition of the Group during the FPE 31 December 2023.

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 2023

**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-23 RM'000	31-Dec-22 RM'000		31-Dec-23 RM'000	31-Dec-22 RM'000	
Revenue	66,748	67,351	-1%	128,730	124,938	3%
Profit before tax	8,685	9,186	-5%	14,688	13,928	5%
Taxation	(1,877)	(1,822)	3%	(3,421)	(3,239)	6%
Profit after tax	6,808	7,364	-8%	11,267	10,689	5%
Profit attributable to Owners of the Company	6,826	6,550	4%	11,304	10,123	12%

Current quarter review

The Group recorded a revenue of RM66.75 million for the current quarter ended 31 December 2023 as compared to RM67.35 million in the previous year corresponding quarter, showing a decrease of RM0.60 million or approximately 1%. The decrease of revenue was mainly due to lower sales recorded in overseas market despite higher sales in local market.

Profit after tax (“PAT”) attributable to owners of the Company of RM6.83 million for the current quarter ended 31 December 2023 as compared to RM6.55 million in the previous year corresponding quarter, showing an increase of RM0.28 million or approximately 4%. The increase of PAT was mainly due to higher gain on short-term investment and rental income.

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 RM128.73 million for the FPE 31 December 2023 as compared to RM124.94 million in the previous year corresponding financial period, showing an increase of RM3.79 million or approximately 3%. PAT attributable to owners of the Company of RM11.30 million for the FPE 31 December 2023 as compared to RM10.12 million in the previous year corresponding financial period, showing an increase of RM1.18 million or approximately 12%.

The increase of revenue and PAT was mainly due to higher sales recorded in local market despite lower sales in overseas market, together with the higher gain on short-term investment and rental income in 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 2023

B2. Variation of Results against Preceding Quarter

	Current Quarter 31-Dec-23 RM'000	Preceding Quarter 30-Sep-23 RM'000	Changes (%)
Revenue	66,748	61,982	8%
Profit before tax	8,685	6,003	45%
Taxation	(1,877)	(1,544)	22%
Profit after tax	6,808	4,459	53%
Profit attributable to Owners of the Company	6,826	4,478	52%

The Group recorded a profit before tax of RM8.69 million for the current quarter ended 31 December 2023 as compared to RM6.00 million in the preceding quarter ended 30 September 2023, showing an increase of RM2.69 million or 45%. This increase was mainly due to higher sales recorded in both local and overseas market, especially in overseas market.

B3. Prospects

The outlook for the FYE 2024 remains challenging due to uncertainty for both domestic and overseas market. The low GDP growth of Malaysia’s economy, slowdown of the global economy recovery and tension of geopolitical environment, high interest rate, inflationary, currency fluctuations may pose obstacles to the growth of the company.

Despite facing the challenging global economic outlook, the Group’s business operating performance remained satisfaction. The Group will continue to strengthen its core business segments and always explore any business opportunities which align with its strategy.

The Group is continuously emphasizes in research and developments of new products introduction and market expansion in order to always stay as one of the market leader in Lighting and low voltage transformer industries. The Group is optimistic to be sustained its growth of demand in near future.

Barring any unforeseen circumstances, we anticipate that the financial performance for financial year ending 30 June 2024 will remain satisfactory.



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Notes on the quarterly report – 31 December 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

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Income tax	1,999	1,833	3,406	3,234
Deferred tax	(122)	(11)	15	5
Total	<u>1,877</u>	<u>1,822</u>	<u>3,421</u>	<u>3,239</u>

The effective tax rate for current quarter is lower than statutory tax rate was mainly due to non-taxable income recognised.

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.



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 31 December 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 27 February 2024 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>FPE 31 December 2023</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(91,800)	-
<u>From 1 January 2024 to 27 February 2024</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	-	-
Total number of options outstanding as at 27 February 2024	2,946,300	198,800



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Notes on the quarterly report – 31 December 2023

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 2023 were as follows:

	Payable within 12 months RM’000	Payable after 12 months RM’000
<u>Secured</u> Bank borrowings	1,141	13,628

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

	Amount RM’000
Malaysian Ringgit	14,719
Indonesia Rupiah	50



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

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 ended 31 December 2023.

	3 Months Period Ended		6 Months Priod Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Profit attributable to Owners of the Company (RM'000)	6,826	6,550	11,304	10,123
Weighted average number of STC Shares in issue ('000)	233,290	229,309	231,346	229,242
Basic earnings per STC Share (sen)	<u>2.93</u>	<u>2.86</u>	<u>4.90</u>	<u>4.42</u>



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Notes on the quarterly report – 31 December 2023

(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 ended 31 December 2023 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Period Ended		6 Months Period Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Profit attributable to Owners of the Company (RM'000)	6,826	6,550	11,304	10,123
Weighted average number of STC Shares in issue ('000)	233,290	229,309	231,346	229,242
Adjusted for unexercised Employees Share Option Scheme ('000)	234,023	229,966	231,979	229,993
Diluted earnings per STC Share (sen)	<u>2.92</u>	<u>2.85</u>	<u>4.87</u>	<u>4.40</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-23 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-22 RM'000
Other income / (loss)				
Fair value gain on short-term investment	328	447	749	447
Gain on disposal of property, plant and equipment	34	2	42	8
(Loss) / Gain on foreign currency exchange	(502)	266	(764)	892
Gain on disposal of short-term investment	197	-	197	-
Interest income	161	12	394	24
Interest income on financial assets measured at fair value through profit or loss (short-term investment)	473	451	473	451
Rental income	184	26	414	56
Other income	68	51	149	118
Reversal of allowance for impairment losses on trade receivables	15	17	16	17
Bad debt written off	-	(44)	-	(44)
Allowance for impairment losses on trade receivables	-	(154)	-	(154)
Depreciation	(2,866)	(1,780)	(5,413)	(4,861)
Interest expense	(245)	(232)	(519)	(458)
Property, plant and equipment written off	-	5	-	(841)
Write down of inventories	(762)	(757)	(762)	(757)

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
27 February 2024