



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 2024**

	Current Quarter 30-Jun-24 RM'000	Comparative Quarter 30-Jun-23 RM'000	Cumulative 12 Months	
			30-Jun-24 RM'000	30-Jun-23 RM'000
Revenue	48,537	59,029	232,762	235,980
Operating profit	8,731	8,849	28,597	27,296
Interest expense	(218)	(275)	(986)	(959)
Interest income	187	462	761	992
Profit before taxation	8,700	9,036	28,372	27,329
Taxation	(1,782)	(1,835)	(6,069)	(6,377)
Profit for the period	6,918	7,201	22,303	20,952
Profit attributable to :				
Owners of the Company	6,700	6,275	22,057	19,783
Non-controlling interests	218	926	246	1,169
	6,918	7,201	22,303	20,952
Earnings per share (sen) :				
Basic	2.84	2.74	9.45	8.63
Diluted	2.83	2.73	9.42	8.60
Profit for the period	6,918	7,201	22,303	20,952
Other comprehensive (loss) / income				
Currency translation differences for foreign operations	(426)	(1,257)	246	(3,534)
Total comprehensive income for the period	6,492	5,944	22,549	17,418
Total comprehensive income / (loss) attributable to :				
Owners of the Company	6,412	5,038	22,036	17,581
Non-controlling interests	80	906	513	(163)
Total comprehensive income for the period	6,492	5,944	22,549	17,418

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 30 JUNE 2024

	As at 30-Jun-24 Unaudited RM'000	As at 30-Jun-23 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	89,089	97,463
Investment properties	40,453	40,448
Right-of-use assets	4,626	6,900
Investment in associate company	282	321
Trade Receivables	1,393	2,153
Amount due from a related party	1,844	1,995
Deferred tax assets	192	262
TOTAL NON-CURRENT ASSETS	137,879	149,542
Current assets		
Inventories	100,776	96,666
Trade receivables	64,036	69,178
Other receivables, deposits and prepayments	10,335	7,773
Contract assets	50	342
Amount due from associates	824	694
Amount due from a related party	373	355
Tax recoverable	2,440	7,083
Short term investment	112,561	76,462
Cash and bank balances	26,424	38,528
TOTAL CURRENT ASSETS	317,819	297,081
TOTAL ASSETS	455,698	446,623
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	74,617	73,943
Treasury shares	(11,678)	(15,571)
Reserves	318,611	304,049
	381,550	362,421
NON-CONTROLLING INTERESTS	28,125	29,481
TOTAL EQUITY	409,675	391,902
LIABILITIES		
Non-Current liabilities		
Lease liabilities	-	294
Long term borrowings	10,676	14,898
Other payable	-	715
Deferred tax liabilities	2,051	2,949
TOTAL NON-CURRENT LIABILITIES	12,727	18,856
Current liabilities		
Trade payables	12,096	16,182
Other payables and accruals	18,376	15,994
Lease liabilities	143	1,869
Short term borrowings	2,350	1,530
Current tax payable	331	290
TOTAL CURRENT LIABILITIES	33,296	35,865
TOTAL LIABILITIES	46,023	54,721
TOTAL EQUITY AND LIABILITIES	455,698	446,623
Net assets per share attributable to owners of the parent (RM) *	1.62	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 YEAR ENDED 30 JUNE 2024

	Current Year - To - date 30-Jun-24 RM'000	Preceding Year Corresponding Year 30-Jun-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,372	27,329
Adjustments for:		
Non-cash items	12,607	8,919
Non-operating items	(8,157)	(121)
Operating profit before changes in working capital	<u>32,822</u>	<u>36,127</u>
Changes in working capital:		
Inventories	(4,110)	8,645
Trade and other receivables	3,315	5,050
Trade and other payables	(3,301)	(1,254)
Cash generated from operating activities	<u>28,726</u>	<u>48,568</u>
Tax paid	(1,457)	(4,453)
Real property gain tax paid	(1,099)	-
Tax refund	336	34
Interest paid	(986)	(959)
Interest received	761	992
Net cash generated from operating activities	<u>26,281</u>	<u>44,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment ("PPE")	(6,447)	(11,405)
Additional to right-of-use assets	(55)	(551)
Proceeds from disposal of investment property	13,576	107
Net cash used in investing activities	<u>7,074</u>	<u>(11,849)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposit pledged	-	(81)
Repayment of lease liabilities	(2,061)	(1,720)
Repayment of bank borrowings	(4,685)	(2,095)
Drawdown from bank borrowings	1,000	5,525
Proceeds from issuance of new shares	306	152
Dividend paid by the Company	(3,213)	(4,127)
Dividend paid by subsidiary to non-controlling interests	(1,299)	(1,291)
Net cash used in financing activities	<u>(9,952)</u>	<u>(3,637)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	23,403	28,696
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	114,970	85,840
EFFECTS ON EXCHANGE RATES FLUCTUATIONS ON CASH HELD	594	434
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u>138,967</u>	<u>114,970</u>
The cash and cash equivalents comprise the following:-		
Cash & bank balances	26,406	38,173
Deposits with licensed banks	18	435
	<u>26,424</u>	<u>38,608</u>
Add : Short term investment	112,561	76,462
Less : Deposits pledged to licensed banks	(18)	(100)
	<u>138,967</u>	<u>114,970</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 YEAR ENDED 30 JUNE 2024

	← 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, 2024										
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 year	-	-	-	-	-	-	22,057	22,057	246	22,303
Other comprehensive (loss)/income - Foreign currency translation differences	-	-	-	-	(21)	-	-	(21)	267	246
Total comprehensive (loss) / income for the year	-	-	-	-	(21)	-	22,057	22,036	513	22,549
Contributions by and distributions to owners of the Company :										
Arising from strike off of subsidiary	-	-	-	-	-	-	-	-	(570)	(570)
Dividends paid to owners of the company - by Cash Dividend	-	-	-	-	-	-	(3,213)	(3,213)	-	(3,213)
- by Share Dividend	252	-	3,893	-	-	-	(4,145)	-	-	-
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(1,299)	(1,299)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-	-
Employees' share option exercised	422	-	-	(116)	-	-	-	306	-	306
Total transactions with owners of the Company	674	-	3,893	(116)	-	-	(7,358)	(2,907)	(1,869)	(4,776)
As at 30 June, 2024	74,617	-	(11,678)	281	2,898	14,288	301,144	381,550	28,125	409,675



SUCCESS TRANSFORMER CORPORATION BERHAD ("STC")
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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'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 year ended June 30, 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	-	-	-	-	-	-	19,780	19,780	1,171	20,951
Other comprehensive (loss)/income - Foreign currency translation differences	-	-	-	-	(2,194)	-	-	(2,194)	(1,292)	(3,486)
Total comprehensive (loss)/income for the year	-	-	-	-	(2,194)	-	19,780	17,586	(121)	17,465
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	-	-	-	-	-	-	-	-	-	-
Arising from acquisition of subsidiary										
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	-	-	-	-	-	-	-	-	(1,291)	(1,291)
Capital reduction by a subsidiary	-	-	-	-	-	-	-	-	(42)	(42)
Employees' share option exercised	208	-	-	(57)	-	-	-	151	-	151
Employees' share option granted	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	208	-	-	(57)	-	-	(4,127)	(3,976)	867	(3,109)
As at 30 June, 2023	73,943	-	(15,571)	397	2,919	14,288	286,445	362,421	29,481	391,902

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 – 30 June 2024

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 2024 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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2024

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 ad 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 – 30 June 2024

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 actors during the FYE 30 June 2024.

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 2024.

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

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 of STC (“**STC Shares**”) held. Further details on the share dividend are set out in Note A8 below.

As at 30 June 2024, 17,212,605 STC Shares were held as treasury shares at an average cost of RM0.6785 per STC Share out of its 252,909,600 STC Shares.



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Notes on the quarterly report – 30 June 2024

A7. Debt and Equity Securities (Cont’d)

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

During the FYE 30 June 2024, a total number of 565,600 STC Shares were issued under the Company’s ESOS, increasing the issued ordinary shares of the Company to 252,909,600 STC Shares as at 30 June 2024.

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 FYE 30 June 2023, 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.



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Notes on the quarterly report – 30 June 2024

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-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	23,376	29,762	120,130	117,215
Overseas	25,161	29,267	112,632	118,765
	<u>48,537</u>	<u>59,029</u>	<u>232,762</u>	<u>235,980</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 30 June 2024 is as follows:

	RM'000
Approved and contracted for	
Property, plant and equipment	<u>1,640</u>

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

There were no material events subsequent to the FYE 30 June 2024.



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Notes on the quarterly report – 30 June 2024

A13. Changes in the composition of the Group

Save as disclosed below, there were no changes in the composition of the Group during the FYE 30 June 2024.

On 31 January 2024, Boxon Industries Hardware (M) Sdn Bhd (“**BIHM**”), a 60.00% owned dormant subsidiary of STC has been struck off from the register of Companies Commission of Malaysia pursuant to Section 550 of the Companies Act 2016. Arising from that, BIHM has ceased to be a 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 2024

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-24 RM'000	30-Jun-23 RM'000		30-Jun-24 RM'000	30-Jun-23 RM'000	
Revenue	48,537	59,029	-18%	232,762	235,980	-1%
Profit before tax	8,700	9,036	-4%	28,372	27,329	4%
Taxation	(1,782)	(1,835)	3%	(6,069)	(6,377)	5%
Profit after tax	6,918	7,201	-4%	22,303	20,952	6%
Profit attributable to Owners of the Company	6,700	6,275	7%	22,057	19,783	11%

Current quarter review

The Group recorded a revenue of RM48.54 million for the current quarter ended 30 June 2024 as compared to RM59.03 million in the previous year corresponding quarter, showing a decrease of RM10.49 million or approximately 18%. The decrease of revenue was mainly due to lower sales recorded in both local and oversea markets.

Profit after tax (“PAT”) attributable to owners of the Company of RM6.70 million for the current quarter ended 30 June 2024 as compared to RM6.28 million in the previous year corresponding quarter, showing an increase of RM0.42 million or approximately 7%. The increase of PAT was mainly due to a gain on disposal of investment property 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.

Twelve months’ financial year review

The Group recorded a revenue of RM232.76 million for the FYE 30 June 2024 as compared to RM235.98 million in the previous year corresponding financial year, showing a decrease of RM3.22 million or approximately 1%. The decrease of revenue was mainly due to lower sales recorded in oversea market despite higher sales recorded in local market.

PAT attributable to owners of the Company of RM22.06 million for the FYE 30 June 2024 as compared to RM19.78 million in the previous year corresponding financial year, showing an increase of RM2.28 million or approximately 11%. The increase of PAT was mainly due to gain on disposal of investment property and higher gain on short-term investment.

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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2024

B2. Variation of Results against Preceding Quarter

	Current Quarter 30-Jun-24 RM'000	Preceding Quarter 31-Mar-24 RM'000	Changes (%)
Revenue	48,537	55,495	-13%
Profit before tax	8,700	4,984	75%
Taxation	(1,782)	(866)	-106%
Profit after tax	6,918	4,118	68%
Profit attributable to Owners of the Company	6,700	4,053	65%

The Group recorded a profit before tax of RM8.70 million for the current quarter ended 30 June 2024 as compared to RM4.98 million in the preceding quarter ended 31 March 2024, showing an increase of RM3.72 million or 75%. The increase was mainly due to gain on disposal of investment property.

B3. Prospects

Market uncertainties are expected to persist throughout 2024. The Ministry of Finance of Malaysia (“MoF”) estimated that the 2024 Gross Domestic Product of Malaysia to be between 4.0% to 5.0% as opposed to 3.7% in 2023. This is supported by resilient domestic expenditure and a recovery in exports.

For us, we remain focus on the existing products segment, namely the Transformer and Lighting and related products. We expect a steady growth in the demand for our products from customers as well as the growth in business expansion in respect of the motorcycle spare parts products.

The significant growth in data centres market in Malaysia and global market is the major force that contribute to the growth in the markets and also help to offset the anticipate slowdown demand from infrastructure and construction market which in turn boost the demand for transformer and related products. For better response, we are searching for any kind of suitable partnership in this market to leverage complementary strengths and achieve mutual growth.

LED lighting and intelligent light control system (“ILCS”) remain as the main lighting category in our products roadmap this year and near future. We believe that our smart integrated and adaptive lighting control system (which its function enable to deliver enormous savings on total energy costs, reduce energy consumption and carbon footprint etc) will be the good option to the user especially those who are adopting Environment, Social and Governance practices.



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Notes on the quarterly report – 30 June 2024

B3. Prospects (Cont’d)

In term of the business in die-casting products, we will further strengthen ourself to be a global player for Original Equipment Manufacturer partner for aluminium die-casting parts. We will continue to develop the new range of after-sales motorcycle components parts in order to cater the growing demand in South East Asia market.

Generally, we will pay more focus on our local market and South East Asia market during the financial year under review. As we progress, we will continue steadfast in our sustainability agenda to optimise resources use and minimise our environment impact.

Barring any unforeseen circumstances, we anticipate that the financial performance for financial year ending 30 June 2025 will remain satisfactory.

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-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Income tax	1,776	1,504	5,819	5,971
Deferred tax	(1,093)	331	(849)	406
Real Property Gain Tax	1,099	-	1,099	-
Total	<u>1,782</u>	<u>1,835</u>	<u>6,069</u>	<u>6,377</u>

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



**SUCCESS TRANSFORMER CORPORATION BERHAD (“STC”)
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Notes on the quarterly report – 30 June 2024

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 29 August 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 30 June 2024</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(565,600)	-
<u>From 1 July 2024 to 29 August 2024</u>		
ESOS options granted and accepted	-	-
ESOS options exercised	(247,000)	-
Total number of options outstanding as at 29 August 2024	2,225,500	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



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B7. Group Borrowings

The Group’s borrowings as at 30 June 2024 were as follows:

	Payable within 12 months RM’000	Payable after 12 months RM’000
<u>Secured</u>		
Bank borrowings	2,350	10,676

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

	Amount RM’000
Malaysian Ringgit	12,997
Indonesia Rupiah	29

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

On 16 July 2024, the Company declared a tax-exempt single-tier special dividend of RM0.015 per ordinary shares on 235,907,195 STC Shares in respect of the financial year ending 30 June 2025 amounting to RM3,538,601.61 and paid on 21 August 2024 to shareholders whose names appeared in Company’s record of depositors on 1 August 2024.



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B10. Earnings per share

(a) Basic

Basic earnings per share of the Group is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during current quarter ended 30 June 2024.

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to Owners of the Company (RM'000)	6,700	6,275	22,057	19,783
Weighted average number of STC Shares in issue ('000)	235,746	229,393	233,461	229,302
Basic earnings per STC Share (sen)	<u>2.84</u>	<u>2.74</u>	<u>9.45</u>	<u>8.63</u>

(b) Diluted

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share for the current quarter ended 30 June 2024 have been retrospectively adjusted to reflect the unexercised ESOS as disclosed in Note B6.

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to Owners of the Company (RM'000)	6,700	6,275	22,057	19,783
Weighted average number of STC Shares in issue ('000)	235,746	229,393	233,461	229,302
Adjusted for unexercised Employees Share Option Scheme ('000)	236,799	229,901	234,205	229,981
Diluted earnings per STC Share (sen)	<u>2.83</u>	<u>2.73</u>	<u>9.42</u>	<u>8.60</u>



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Notes on the quarterly report – 30 June 2024

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

	3 Months Period Ended		12 Months Year Ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Other income / (loss)				
Fair value gain on short-term investment	1,296	421	3,721	2,171
(Loss) / Gain on disposal of investment property	7,752	-	7,752	-
Gain on disposal of property, plant and equipment	25	38	67	90
Gain from acquisition of a subsidiary	-	-	-	711
Gain from strike-off of a subsidiary	592	1,167	592	1,167
Gain / (Loss) on foreign currency exchange	105	2,445	(434)	3,685
Gain on disposal of short-term investment	225	-	719	-
Interest income	187	462	761	992
Interest income on financial assets measured at fair value through profit or loss (short-term investment)	230	-	736	-
Rental income	334	133	1,031	219
Other income	316	187	524	594
Reversal of allowance for impairment losses on trade receivables	432	243	480	260
Reversal of write down of inventories	344	56	344	56
Write down of inventories	(851)	(211)	(1,613)	(968)
Bad debt written off	-	-	-	(45)
Allowance for impairment losses on trade receivables	(86)	(556)	(86)	(710)
Depreciation	(3,065)	(2,503)	(10,719)	(9,768)
Interest expense	(208)	(276)	(976)	(960)
Property, plant and equipment written off	(61)	-	(61)	(854)

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
29 August 2024