

TRANSFORMATION *Change Lives*



**SUCCESS TRANSFORMER
CORPORATION BERHAD**

(200301034518) (636939-W)



ANNUAL REPORT

2024

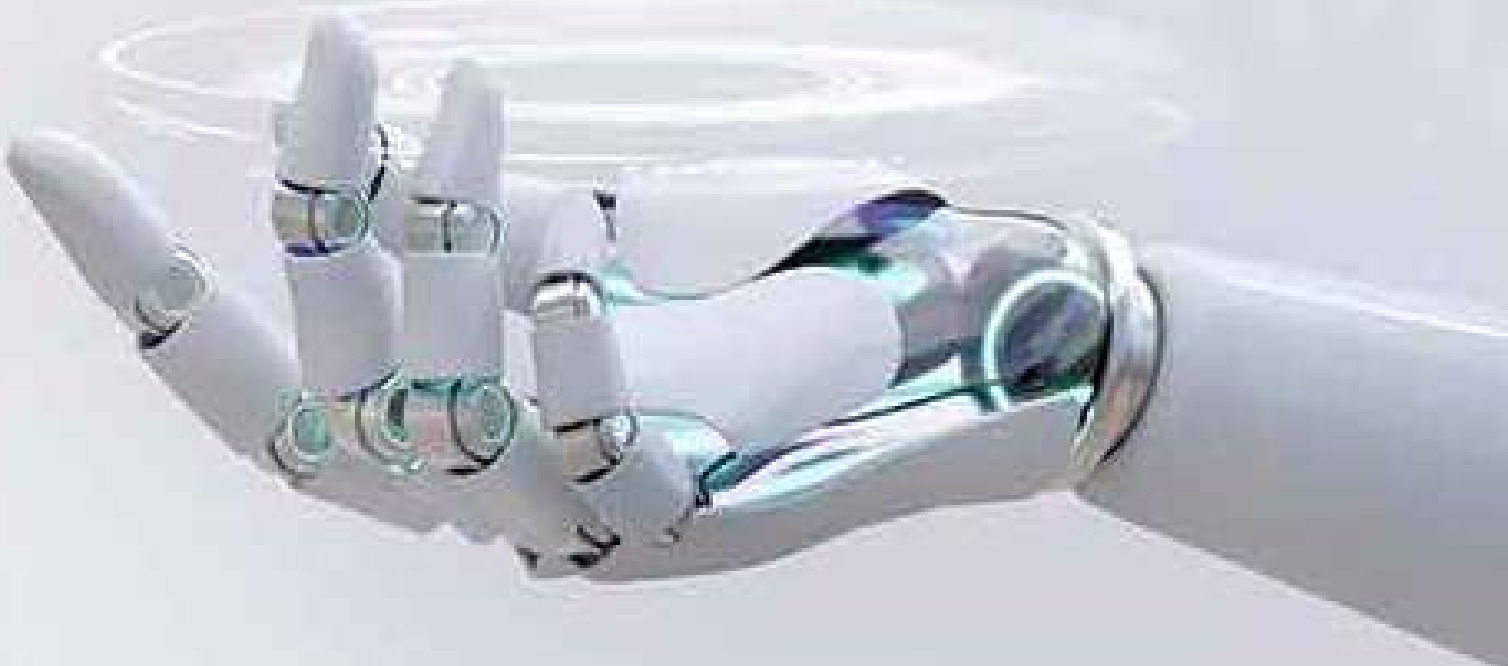
COVER RATIONALE

Are you ready to embark on this transformative journey with us?

In this journey, the tagline 'Transformation Change Lives' serves as our guiding light, illuminating the path towards embracing transformation and progressing forward. We apply this concept to the context of a smart city, where we witness the incredible potential of smart technologies, artificial intelligence and data-driven solutions. These innovations hold the power to profoundly enrich the lives of residents, enhancing users' convenience, accessibility and every aspect of urban life.

Let's make this sustainable journey rewarding in many ways!

The cover also depicts a visual representation of EESG (Economic, Environmental, Social and Governance) concepts, reflecting our proactive approach to sustainable management and integration of EESG factors into our business performance. This includes decision-making processes and day-to-day activities. It represents a strategic step towards aligning our business practices with principles of good governance, environmental sustainability and social responsibility.



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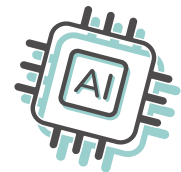


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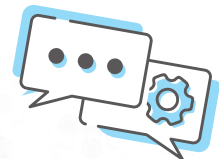
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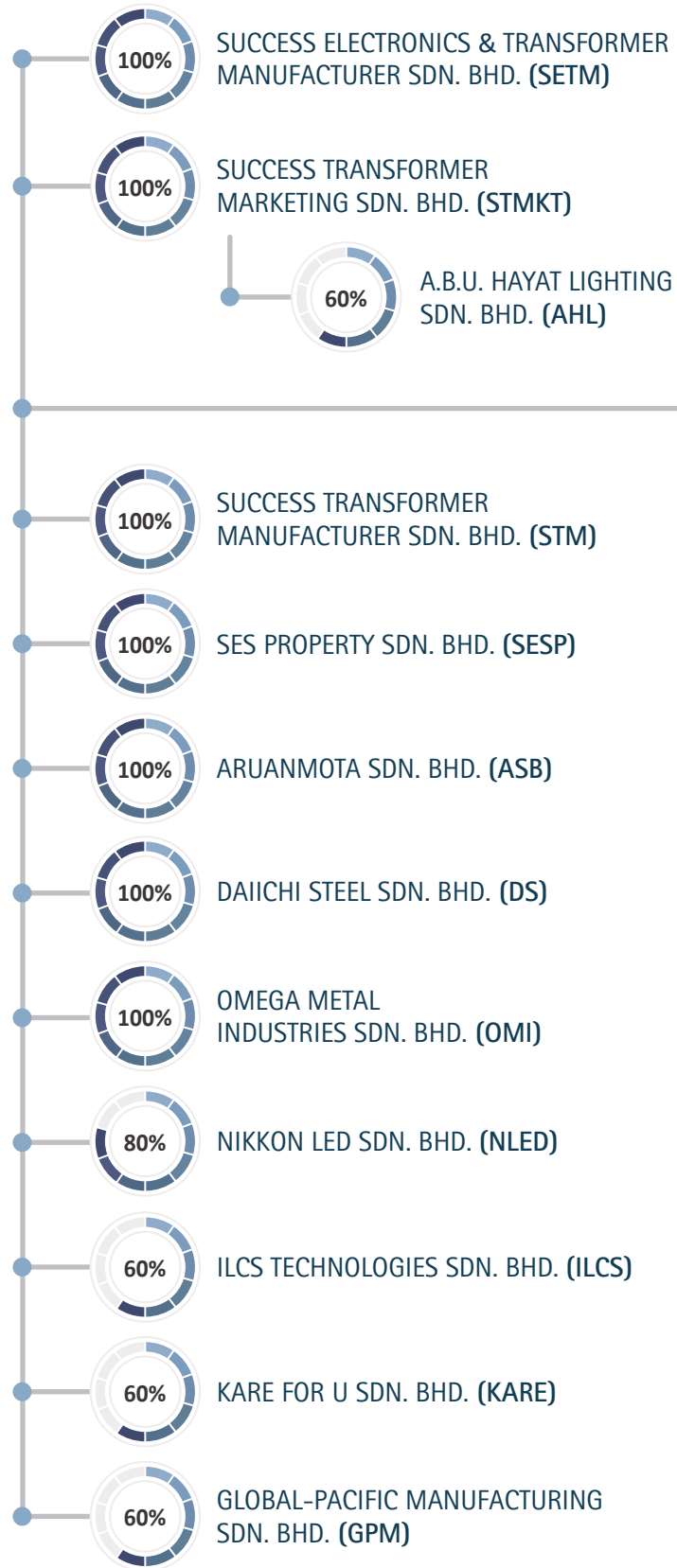




CORPORATE STRUCTURE

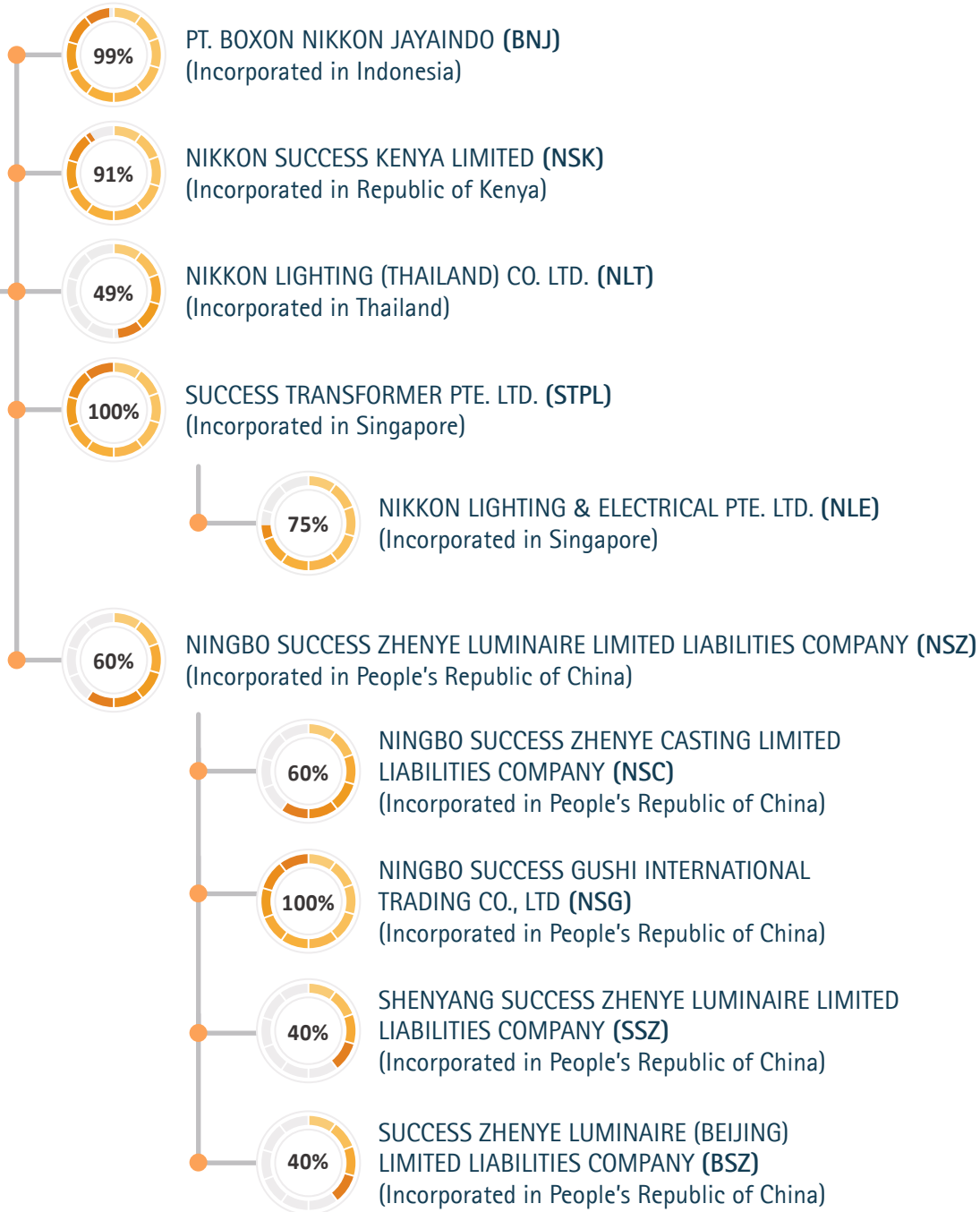


**SUCCESS TRANSFORMER
CORPORATION BERHAD (STC)**





CORPORATE STRUCTURE (CONT'D)



 Incorporated in Malaysia

 Incorporated outside Malaysia



CORPORATE INFORMATION



BOARD OF DIRECTORS

**Independent
Non-Executive Chairman**
**DATUK IR. KAMARUDIN
BIN MD DEROM**

**Managing
Director**
**TAN AH BAH @
TAN AH PING**

**Deputy
Managing Director**
TAN CHUNG LING (f)

**Deputy
Managing Director**
TAN CHUNG CHAY (f)

Executive Director
DATO' TAN WEI NENG

**Independent
Non-Executive Director**
CHAN FOONG PING (f)

**Non-Independent
Non-Executive Director**
DATO' YEOH KIM WAH

**Alternate Director to
Tan Ah Bah @
Tan Ah Ping**
TAN CHUNG CHIAH (f)

AUDIT COMMITTEE

Chairman

Chan Foong Ping (f)

Members

Datuk Ir. Kamarudin Bin Md Derom

Dato' Yeoh Kim Wah

NOMINATION COMMITTEE

Chairman

Chan Foong Ping (f)

Members

Datuk Ir. Kamarudin Bin Md Derom

Dato' Yeoh Kim Wah

REMUNERATION COMMITTEE

Chairman

Chan Foong Ping (f)

Members

Datuk Ir. Kamarudin Bin Md Derom

Tan Ah Bah @ Tan Ah Ping

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Chairman

Chan Foong Ping (f)

Members

Tan Chung Ling (f)

Dato' Tan Wei Neng

Dato' Yeoh Kim Wah

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC No.: 201908002648)

Tan Loo Ee
(MAICSA 7063694)
(SSM PC No.: 201908002686)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel: +(603) 2084 9000
Fax: +(603) 2094 9940

CORPORATE OFFICE

No. 3, 5 & 7, Jalan TSB 8,
Taman Industri Sungai Buloh,
47000 Sungai Buloh,
Selangor Darul Ehsan, Malaysia.
Tel: +(603) 6279 2800
Fax: +(603) 6157 2722
Email: stc.corporate@success.com.my
Website: www.stcgroup.com.my

EXTERNAL AUDITORS

Crowe Malaysia PLT
201906000005
(LLP 0018817-LCA) & AF 1018
Chartered Accountants
Muar Office
No. 8 (2nd Floor), Jalan Pesta 1/1,
Taman Tun Dr. Ismail 1, Jalan Bakri,
84000 Muar, Johor, Malaysia.
Tel: +(606) 952 4328
Fax: +(606) 952 7328

SHARE REGISTRAR

Tricor Investor & Issuing Home
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel: +(603) 2783 9299
Fax: +(603) 2783 9222

PRINCIPAL BANKERS

Citibank Berhad
Hong Leong Bank Berhad
Public Bank Berhad
Ambank (M) Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

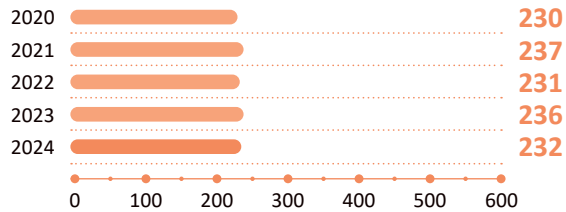


5 YEARS FINANCIAL HIGHLIGHT AS AT 30 JUNE



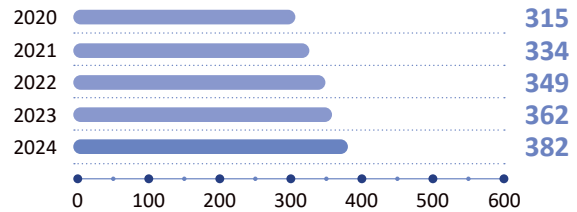
REVENUE
30 June 2024
232
(RM' MILLION)

REVENUE (RM' MILLION)



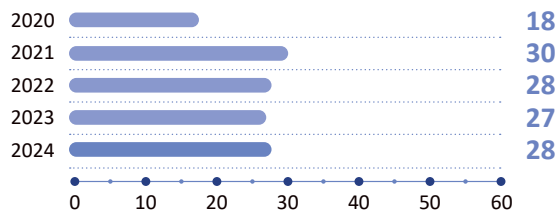
SHAREHOLDERS' EQUITY
30 June 2024
382
(RM' MILLION)

SHAREHOLDERS' EQUITY (RM' MILLION)



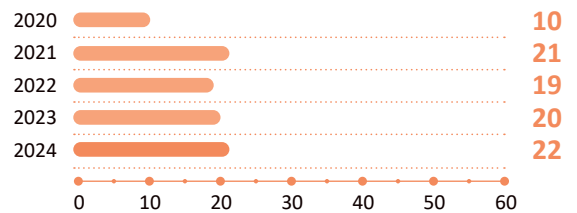
PBT
30 June 2024
28
(RM' MILLION)

PBT (RM' MILLION)



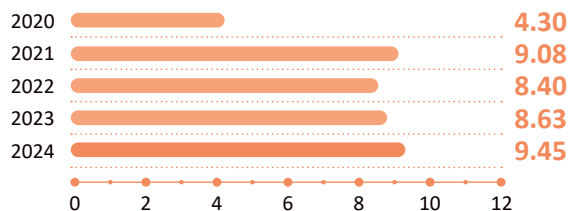
PAT ATTRIBUTABLE TO OWNERS OF THE COMPANY
30 June 2024
22
(RM' MILLION)

PAT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM' MILLION)



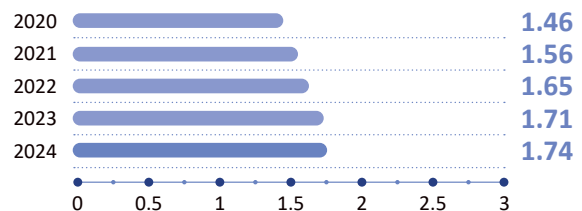
EPS
30 June 2024
9.45
(SEN)

EPS (SEN)



NTA PER SHARE
30 June 2024
1.74
(RM)

NTA PER SHARE (RM)





DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

Independent Non-Executive Chairman

DATUK IR. KAMARUDIN BIN MD DEROM

Age: 66 | **Gender:** Male | **Nationality:** Malaysian
Date appointed to Board: 15 July 2021

Professional Engineer
Registered with Board of Engineers, Malaysia
Member of The Institution of Engineers

Datuk Ir. Kamarudin Bin Md Derom was appointed to the Board of STC on 15 July 2021 as an Independent Non-Executive Chairman. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He has more than 40 years of extensive leadership and oversight role in corporate management, business turnarounds, startups, new business development and government liaison. He has also served in international and local companies.

He has relevant experience in Bursa Malaysia Corporate Governance and Securities Requirement. He possesses breadth and depth in Infrastructure, Civil & Environmental Turnkey Projects, Oil & Gas, Energy, Logistic and Cold Storage business, Commodity Trading role and Manufacturing. He also adopts best practices in Health, Safety and Environment (HSE) policies.

He graduated from University of Wisconsin at Madison, U.S.A in 1983 with a Bachelor of Science in Civil & Environmental Engineering. He is a registered professional engineer with the Board of Engineers Malaysia and a member of the Institution of Engineers, Malaysia (IEM).

He does not have any family relationship with the directors and/or substantial shareholder of the company.

Managing Director

TAN AH BAH @ TAN AH PING

Age: 73 | **Gender:** Male
Nationality: Malaysian
Date appointed to Board: 25 October 2004

Mr. Tan Ah Bah @ Tan Ah Ping is the founder of STC Group. He was appointed to the Board of STC on 25 October 2004. He is currently the Managing Director of STC and a member of the Remuneration Committee. In 1978, Mr. Tan Ah Bah @ Tan Ah Ping formed Syarikat Success Electronics Trading ("SSET").

In 1990, SETM was incorporated to take over the business activities of SSET and in 1998, he established STMKT to focus on the local marketing activities.

Currently, he is responsible for the overall management, strategic business planning and development, decision making and technical advisory of the STC Group. He also holds the role of Managing Director or Director in most of STC's subsidiaries.

He is the father of Ms. Tan Chung Ling, Ms. Tan Chung Chay and Ms. Tan Chung Chiah, who are the Deputy Managing Directors and Alternate Director of STC respectively.

He is the spouse of Madam Pan Kim Foon, a substantial shareholder of the company.





DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE (CONT'D)

Deputy Managing Director

TAN CHUNG LING

Age: 47 | **Gender:** Female

Nationality: Malaysian

Date appointed to Board: 17 February 2006

Ms. Tan Chung Ling was appointed to the Board of STC as an Alternate Director to Madam Pan Kim Foon (a former Director of STC) on 17 February 2006. On 22 July 2015, she was appointed as Executive Director of STC and redesignated as Deputy Managing Director on 28 July 2017, a position she currently holds. She is a member of ESOS Committee and chairlady for Risk Management and Sustainability Committee to oversee the risk management of STC Group.

In 1999, she obtained her Bachelor of Commerce from Murdoch University, Australia and subsequently in 2001 she obtained her Masters of Electronic Commerce from Curtin University, Australia. Within the same year, she started her career at SETM as International Sales Coordinator.

Subsequently in 2003, she was transferred internally to STMKT and was promoted to Business Development Manager of STMKT in 2004. Currently, she is the Export Director of SETM and responsible for business strategic planning, market planning and developing new markets. At present, she also serves as the Director for several of the STC's subsidiaries.

She is the daughter of Mr. Tan Ah Bah @ Tan Ah Ping, the Managing Director of STC and the daughter of Madam Pan Kim Foon, a substantial shareholder of the company.

She is also the sister of Ms. Tan Chung Chay and Ms. Tan Chung Chiah, who are the Deputy Managing Director and Alternate Director of STC respectively.

Executive Director

DATO' TAN WEI NENG

Age: 51 | **Gender:** Male

Nationality: Malaysian

Date appointed to Board: 30 November 2015

Dato' Tan Wei Neng, stands as a seasoned corporate leader and a finance professional with a remarkable career spanning over 26 years. His expertise lies in financial management, corporate exercises, taxation management, international trade and business development across diverse industries.

He was appointed as Chief Operating Officer (COO) and Executive Director of STC on 30 November 2015. He is the driving force behind the Group's operations, corporate strategies, planning and business development.

He is a distinguished Chartered Accountant and an esteemed member of the Malaysian Institute of Accountants (MIA) since 2001. At present, he also serves as the Director for several of the STC's subsidiaries. He is also a member of ESOS Committee.

His academic journey includes a Bachelor's Degree in Accounting (Hons) from Universiti Utara Malaysia (UUM), along with the successful completion of the Senior Management Development Program at University Technology Petronas (UTP). In 2023, he had obtained his Doctorate conferred by The Sabi University, France for Doctor of Business Administration (DBA).

Dato' Tan was bestowed with the Darjah Setia Pangkuan Negeri (DSPN) of State title by the Governor of the State of Penang, Malaysia in 2021. His dedication was further acknowledged when he received the Honorary Fellowship from the Association of Professional Managers and Entrepreneurs, UK in 2022.

He does not have any family relationship with the directors and/or substantial shareholders of the company.





DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE (CONT'D)

Deputy Managing Director TAN CHUNG CHAY

Age: 43 | **Gender:** Female
Nationality: Malaysian
Date appointed to Board: 28 July 2017

Ms. Tan Chung Chay was appointed as Executive Director of STC on 28 July 2017 and redesignated as Deputy Managing Director of STC on 1 November 2023.

She graduated with a Bachelor of Commerce Degree major in Finance and Marketing from Curtin University of Technology, Australia in 2002. In 2013, she obtained her Master in Business Administration (MBA) in the finance specialisation from University of Southern Queensland, Australia.

She started her career as a Sales Executive at STMKT in 2003 and was subsequently promoted to Sales Manager in 2008. In 2011, she was appointed as a director of STPL and NLE, subsidiaries of the company incorporated in Singapore. She is the Head of Business Development overseeing ASEAN countries and plays crucial role in expanding overseas markets. She has been assigned to lead the local Project Sales Team.

She is the daughter of Mr. Tan Ah Bah @ Tan Ah Ping, the Managing Director of STC and the daughter of Madam Pan Kim Foon, a substantial shareholder of the company.

She is also the sister of Ms. Tan Chung Ling and Ms. Tan Chung Chiah, who are the Deputy Managing Director and Alternate Director of STC respectively.

Non-Independent Non-Executive Director

DATO' YEOH KIM WAH

Age: 71 | **Gender:** Male
Nationality: Malaysian
Date appointed to Board: 7 March 2008

Dato' Yeoh Kim Wah was appointed to the Board of STC on 7 March 2008 as a Non-Independent Non-Executive Director. He is also a member of the Audit Committee, Nomination Committee and ESOS Committee.

He is an entrepreneur with more than 40 years of extensive knowledge and experience in the electrical supplies industry. He was one of the founders of Syarikat See Wide Letrik Group of companies, a well-established electrical trading group in Malaysia. He was primarily responsible for business development and implementation of marketing strategies for these companies.

Independent Non-Executive Director CHAN FOONG PING

Age: 53 | **Gender:** Female
Nationality: Malaysian
Date appointed to Board: 23 September 2016

Ms. Chan Foong Ping was appointed to the Board on 23 September 2016 as an Independent Non-Executive Director. Ms. Chan is the Chairman of the Audit Committee, Remuneration Committee, Nomination Committee and ESOS Committee.

Ms. Chan graduated with Bachelor Degree in Accountancy from Universiti Putra Malaysia in 1995. She is a Chartered Accountant and member of Malaysian Institute of Accountants (MIA). She commenced her career as accountant at a subsidiary of Lion Group in 1998. Prior to that, she had 3 years audit experience with Deloitte Kuala Lumpur.

From 2000 to 2011, she attached to Phillips Food Inc. Group of companies. Her last held position was Executive Director of Phillips Foods Inc's subsidiary in Hong Kong where she was responsible for overseeing financial management system of Asia Pacific region. In 2011, she was appointed by Resource Holding Management Limited ("RHM"), a public company then listed on the AIM Market of the London Stock Exchange, as Group Finance Director.

She has been actively involved in corporate exercises, mergers & acquisitions and corporate development as freelance consultant since she left RHM in 2014.

She currently serves as an Independent Non-Executive Director of Seremban Engineering Berhad, SFP Tech Holdings Berhad and PT Resources Holdings Berhad.

She does not have any family relationship with the directors and/or substantial shareholders of the company.

Furthermore, he has been appointed as a Trustee of The Electrical and Electronics Association of Malaysia. He is also the Honorary President of Persatuan Alumni Chung Ling High School, Wilayah Tengah Kuala Lumpur.

Presently, he holds directorships in NSK and several other private companies such as Oriental Group of companies, Eco Jaya Elektrik Sdn. Bhd. and See Wide Industries Sdn. Bhd.

He does not have any family relationship with the directors and/or substantial shareholders of the company.



DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE (CONT'D)

Alternate Director to Tan Ah Bah @ Tan Ah Ping

TAN CHUNG CHIAH

Age: 40 | **Gender:** Female
Nationality: Malaysian
Date appointed to Board: 18 May 2023

Ms. Tan Chung Chiah was previously appointed as an Alternate Director of STC to Madam Pan Kim Foon from 21 October 2015 to 29 June 2020. In May 2023, she has been appointed as an Alternate Director to Mr. Tan Ah Bah @ Tan Ah Ping on 18 May 2023.

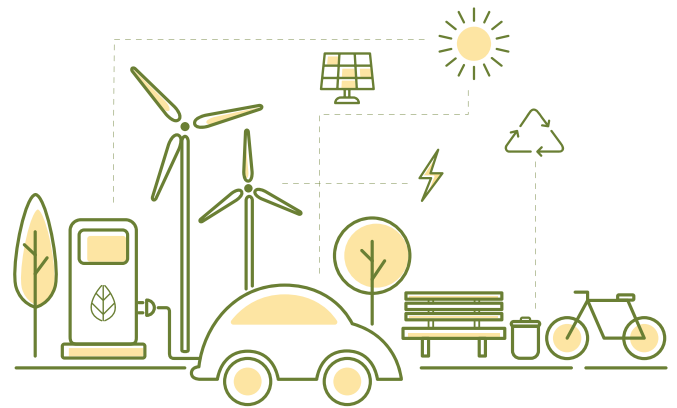
She graduated with a Bachelor of Commerce Degree in Accounting and Finance from Deakin University, Australia in 2007. She is a Certified Practising Accountant by profession. She is a Chartered Accountant and member of Malaysian Institute of Accountants (MIA) since 2017.

She has 6 years of financial and taxation working experiences as a Tax Accountant in Australia before she joined as the company's Cost Controller in 2013.

As the Cost Controller, she is responsible for the cost management and also overseeing the Group's corporate affairs in STC. She was appointed as director of NSZ which incorporated in People's Republic of China.

She is the daughter of Mr. Tan Ah Bah @ Tan Ah Ping, the Managing Director of STC and the daughter of Madam Pan Kim Foon, a substantial shareholder of the company.

She is also the sister of Ms. Tan Chung Ling and Ms. Tan Chung Chay, who are both the Deputy Managing Directors of STC.



KEY SENIOR MANAGEMENT

Technical Director CHANG POAY HEE

Age: 66 | **Gender:** Male
Nationality: Malaysian

Mr. Chang Poay Hee has completed his tertiary education and is an Electrical Engineer by profession.

He began his working career in 1988 with Dynacraft Sdn. Bhd., Penang and subsequently with Sumitomo Electric Sintered Components Sdn. Bhd. and USG Malaysia Sdn. Bhd. He joined SETM in 1995 as the Technical Manager. He was responsible for the designs and the technical support for both the lighting and transformer products.

He was appointed as the Technical Director for SETM in 2008 and holds the responsibility in overseeing the overall operations particularly in design and manufacturing of the transformer division.

He does not have any family relationship with the directors and/or substantial shareholders of the company.





DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE (CONT'D)

Director

CHANG KAM KUAN

Age: 48 | **Gender:** Male
Nationality: Malaysian

Mr. Chang Kam Kuan was appointed as the Technical Lighting and Project Sales Director of STC in 2015. In his role as Technical Lighting Director, he oversees the overall functionality of new products' designs, testing, development and production support. As a Project Sales Director, he was responsible for planning, coordinating and monitoring various projects and programs within their relevant schedules. He resigned as Technical Lighting and Project Sales Director on September 2022. During his tenure of service in this position, he led the team to great advancements in technology for the lighting industry.

He left his previous position to better focus on the business development of GPM. As the Director of GPM, he is responsible for the overall management, strategic business planning and development of GPM.

He also holds directorships in iLCS and AHL. Mr. Chang Kam Kuan is the spouse of Ms. Tan Chung Ling, who is the Deputy Managing Director of STC.

Group Financial Controller

LO CHIEW LIEH

Age: 44 | **Gender:** Male
Nationality: Malaysian

Mr. Lo Chiew Lieh has been with the Company as a Finance Manager since September 2010. In January 2016, he was promoted to Finance Controller and appointed as Chief Risk Officer in the same year. In 2017, he was further promoted to Group Finance Controller. He is currently responsible for overseeing financial operations, internal audit and is involved in planning, operations and strategic decision-making.

He began his public practice with one of the international accounting firms in 2005. He has over 15 years of financial and auditing experience across various industries.

He is a qualified Chartered Accountant from Malaysian Institute of Accountants. He graduated with a Bachelor of Accounting from University of Malaya.

He does not have any family relationship with the directors and/or substantial shareholders of the company.

Other Information Of The Directors and Key Senior Management

None of the Directors and Key Senior Management have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, save for Dato' Yeoh Kim Wah as disclosed at Other Compliance Information at page 68.

All the Directors and Key Senior Management do not hold any other directorships of public companies and listed issuers, save for Ms. Chan Foong Ping as disclosed in her profile at page 8.

None of the Directors and Key Senior Management have convicted of any offences other than traffic offences within the past five years (if any) and has no public sanctions and / or penalties imposed by the relevant regulatory bodies during the financial year.

Attendance of Directors at Board Meetings

There were five (5) Board Meetings held during the financial year ended 30 June ("FYE") 2024 (refer to page 49 for number of meetings attended by each director).



MANAGEMENT DISCUSSION AND ANALYSIS



Overview of Group's Business and Operations

A. Company Profile

Success Transformer Corporation Berhad ("Company" or "STC") is principally engaged in investment holding and the provision of management services. STC was first listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 19 January 2005 and was successfully transferred to the Main Board (now known as Main Market) of Bursa Securities on 26 March 2007.

STC, through its subsidiaries (collectively referred to as the "Group"), is primarily involved in the design, manufacturing and distribution of transformers, electrical apparatus and industrial lighting. The Group's main production facilities are located in Malaysia and China.

The Group has established several in-house brands, such as QPS for transformers, NIKKON for LED, HID lighting products and iLCS, which offers intelligent light control system for smart cities. We continue to be a key player in the low-voltage transformer market and positioned as a top provider of industrial lighting solutions. The Group is strengthening its brands and expanding business operations to enhance its market position.

In recent years, the Group is committed in developing products and services that transform cities into artificial

ecosystems of interconnected and interdependent intelligent digital entities. The Intelligent Light Control System (iLCS) represents a fundamentally new cutting-edge technology approach. This paradigm introduces new considerations and challenges for architects and designers as they adapt to these advanced systems in the twenty-first century.

In addition, the Group also focuses on the die-casting industry through its subsidiary, Global Pacific Manufacturing Sdn. Bhd. ("GPM"). GPM specialises in aluminium die-casting for both local and overseas markets, with the aim of becoming a one-stop solution for die-casting centers and other similar industries. Currently, GPM manufactures motorcycle components, hardware and furniture accessories. We are extensively involved in various projects and have a wide presence across different industries and sectors.

We are making significant strides in expanding our business clientele in local and international markets. Our network of distributors and dealers continues to grow, especially in Malaysia and across the Southeast Asia region.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

B. Vision

We strive to be a globally recognised brand within the industries in ASEAN, Middle East, Africa and Europe.

Mission

We are committed to maintain the highest quality in all our products while embracing technology to reduce cost and to preserve the environment.

Transformer & Lighting Segment

The Transformer and Lighting segment are carried out mainly by the subsidiary companies as listed below:

• Manufacturing (major subsidiaries)

100% -
SETM

Manufacturing of electrical apparatus and industrial lighting

60% -
NSZ

Design, manufacturing and trading of industrial light fittings and fixtures

• Trading and Distribution

100% -
STPL

Investment holding and to carry on business related to electricians, mechanical engineers or any other similar nature and general contractors

75% -
NLE

Marketing and distribution of electrical apparatus and industrial lighting

100% -
STMKT

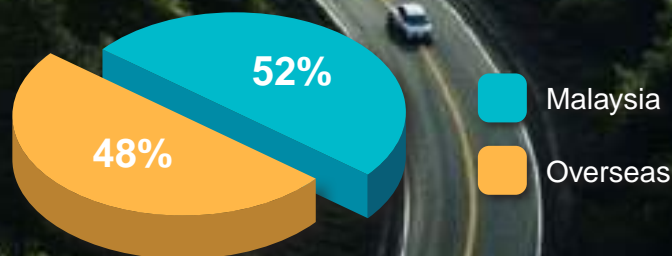
Trading, sales and marketing of electrical products and industrial lighting

99% -
BNJ

Wholesale of lighting, mechanical and electrical products, metal enclosure and accessories

Sales by Geographical Area

The breakdown of the revenue by geographical area for Transformer and Lighting segment for the FYE 30 June 2024 is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

QPS[®] specialises in transformer design for data centers and UPS systems. Our innovative technology is engineered to minimise power losses, thus enabling significant energy savings and reduce carbon footprint. With a track record of successful projects in both local and global markets, we are committed to delivering high quality solutions that optimise energy efficiency and sustainability for data center operations.



Trusted Brand in Transformer



Improve power efficiency to accommodate the overall system load performance. Capable to manufacture low voltage transformer up to 2.5MVA



The compact data center transformer is designed to free up space, reduces harmonics and system errors to enable efficiency and reliability



Compliance with marine standard such as ABS, DNV, RMRS, NK, GL & Lloyds



POWER TRANSFORMER



Electrical Utility Rooms



Manufacturing



Marine Industry



Data Center



Telecommunications



Industrial Robots



Laboratories



Medical Equipment

**Designed, manufactured & tested in accordance with INTERNATIONAL STANDARDS IEC 61558 & IEC 60076-11 (Comply to CE standard)*

Innovating Cities through Intelligent Smart Lighting



Intelligent Light Control System

The iLCS platform is an advanced light management system that combines modern remote control with sensors. It has the ability to integrate IoT devices for the collection and analysis of municipal data. iLCS offers municipalities the versatility to handle data, acquire valuable insights and control luminaires remotely. With iLCS cloud management, managing and automating lighting becomes effortless, empowering operators to oversee their lighting infrastructure from anytime, anywhere.



TRIMAX
LED Smart Light



Scan Our
Brochure Here



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Review

The key financial information and financial performance of the Group for FYE 2024 and FYE 2023.

	Statements of Profit or Loss and Other Comprehensive Income	2024	2023
		RM'000	RM'000
	Revenue	231,510	235,974
	Profit Before Tax	28,373	27,358
	Profit After Tax	22,300	20,951
	Profit After Tax after ("PAT") attributable to owners of the Company	22,054	19,780
	Statements of Financial Position	2024	2023
		RM'000	RM'000
	Total Assets	456,441	446,449
	Total Liabilities	46,770	54,547
	Shareholders' Equity	381,546	362,421
	Financial Indicators	2024	2023
	Earnings Per Share (SEN)	9.45	8.63
	Net Tangible Assets Per Share (RM)	1.74	1.71

Review Of Financial Results and Financial Position

The Group recorded a revenue of RM231.51 million for the FYE 2024 as compared to RM235.97 million in the previous FYE 2023. The decrease of revenue was mainly due to lower sales recorded in overseas market despite higher sales recorded in local market.

The Group's revenue consists of 52% (2023: 50%) local sales and 48% (2023: 50%) overseas sales during the financial year.

The Group reported a PAT attributable to owners of the company of RM22.05 million for the FYE 2024, representing an increase by 11.5% as compared to previous year. The increase was mainly due to the gain on disposal of investment property and higher gain on other investments. Earnings per share of the Group stood at 9.45 sen.

The financial position of the Group remains strong. The total borrowing of the Group has decreased to RM13.03 million as as for FYE 2024 as compared to RM16.43 million in FYE 2023 as a result of repayment of bank borrowing. The Group's cash and cash equivalents have been decreased and was mainly due to placement of other investment.

Net tangible assets per share was increased slightly from RM1.71 in FYE 2023 to RM1.74 in FYE 2024. The shareholders' equity for the Group increased from RM362.42 million to RM381.55 million, representing a growth of 5%. This increase was primarily contributed by operating profit during the year and gain on disposal of investment property.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Review of Operating Activities

Our business strategy emphasises increasing productivity and efficiency on the assembly line while ensuring that our products meet the highest quality standards. We are committed to sustainability initiatives that align with environmental and economic goals, focusing on reducing environmental impact through resource management. Additionally, we prioritise integrating cutting-edge technologies to support social well-being, economic prosperity and environmental protection. By combining these efforts, we aim to deliver products and services that meet evolving market demands and drive sustainable growth.

"In today's interconnected world, leveraging emerging technologies such as artificial intelligence, machine learning, Internet of Things (IoT), cloud computing, and data analytics has brought significant improvements to the development of smart cities. These technologies automate tasks and improve efficiency."



A. Product Technology Integration

Digital transformation has drastically changed our behaviours, both in our personal lives and the time we spend in urban areas. The goal is to enhance the quality of life for city residents by utilising integrated technological solutions that support innovation, sustainability and efficiency in cities.

We are delighted to introduce the iLCS Platform, a state-of-the-art distributed platform offering exceptional performance. It provides the benefits of modern remote control systems while harnessing the full potential of real-time wireless communication networks and advanced IoT cloud platforms.

The iLCS, renowned for its Smart City Intelligent Light Control System, is at the forefront of shaping the future of urban connectivity. The iLCS provides efficient and innovative urban services, supporting city infrastructure and transforming them into smart cities.

Furthermore, iLCS offers a modular approach that can be integrated with a multi-level architecture. This allows users to leverage each layer through an integrated approach to data management and processing. The architecture includes various sensors to optimise process automation in public spaces and industrial areas.

The iLCS system has made a significant impact on energy savings and environmental benefits. The advanced technologies used in this intelligent lighting service allow for dynamic adaptation of light intensity based on actual needs. This feature, known as adaptive dimming, results in substantial additional energy savings.

With this adaptive approach, the lighting system always provides the right amount of light required, thus avoiding energy wastage. This system offers economic and sustainable benefits by reducing energy consumption and CO₂ emissions, as well as providing a return on investment.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Review of Operating Activities (Cont'd)

B. Business Strategy and Sustainability Initiatives

Our long-term goal is to lead the industry by aligning all our business operations with sustainable development principles. We prioritise social well-being, economic prosperity and environmental protection in our decision-making processes. Sustainability is the guiding principle that drives us towards this objective.

Currently, we conduct all aspects of our operations from initial designs, production to distribution with utmost consideration for environmental preservation, social responsibility and overall viability. Our strategy revolves around creating a resilient, adaptive and competitive business capable of meeting the evolving demands of society. Through continuous innovation and efficiency improvements, we strive to generate value for our stakeholders, shareholders, employees, customers and communities.

In addition, we prioritise collaborating with responsible ethical suppliers and strategic partners in research and development to drive innovation and create competitive

products. Our Group's R&D initiatives actively explore new technologies, materials and production methods to enhance product performance, efficiency and sustainability. Moreover, we leverage external partnerships and industry experts to access diverse expertise and resources.

These partnerships enable us to stay at the forefront of technological advancements, allowing us to seize opportunities from emerging trends in the market such as IoT, AI and renewable energy solutions. Ultimately, we expand our capabilities, tap into international markets and strengthen our position for growth in the industry.

In the future, we aim to maximise our innovation potential to meet the changing needs and preferences of our customers. We firmly believe that business success and sustainability are interdependent. We do place great emphasis on continuous learning, training and adaptation as these are essential elements for ensuring the sustainability of our business.

C. Boost Productivity and Efficiency on The Assembly Line

We have advanced machinery to improve our production processes, reduce downtime and increase efficiency. This strategic decision is aimed at boosting productivity and expanding our production capabilities to meet the growing demand for our smart lighting products and LCU (Light Control Unit). The upgraded machinery has expanded our capacity, enabling us to undertake larger-scale projects, venture into new opportunities and explore new avenues in the current markets.

Producing our goods locally ensures consistent production and supply. It gives us greater control over quality, flexibility and agility in responding to customer preferences. By adjusting our production schedules quickly, we can position ourselves for sustained growth in a dynamic industry landscape.

D. Product Quality Control and Measurement

Our Group's product line includes iLCS, NIKKON and QPS. We ensure consistency, reliability and exceptional performance through our stringent quality control measures. We continue to improve our products through extensive R&D. We meticulously oversee every phase of production to ensure that our products meet strict quality standards.

We constantly strive to improve our processes by adopting advanced technologies and implementing best management practices. This approach enables us to remain agile and steadfast while consistently meeting customer expectations. Our commitment to maintaining high levels of excellence is demonstrated through the performance of our innovative products.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Review of Operating Activities (Cont'd)

Risk Management

The Group is exposed to competition risk, credit risk, operation risk and foreign currency exchange risk. In order to mitigate these risks, we have adopted a risk management framework to identify, evaluate and manage the significant risks faced by the Group as disclosed in the Statement on Risk Management and Internal Control on page 63.

Dividends

On 10 October 2023, the Company declared the following dividends on 229,486,546 STC Shares in respect of the FYE 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.

Whilst the Company does not have a dividend policy, the Board reaffirms its commitment to providing a consistent dividend stream over the past years, considering factors such as earnings, capital commitments, general financial conditions and distributable reserves.

The Board will continue striving to deliver favorable results and reward our shareholders for their continued support.

Outlook and Prospect

Market uncertainties are expected to persist in 2024. Our Ministry of Finance ("MoF") estimated the 2024 Gross Domestic Product ("GDP") to be between 4.0% to 5.0% versus 3.7% in 2023. This is supported by resilient domestic expenditure and a recovery in exports.

We remain focused on our existing product segments in transformers, lighting and related products. We expect steady growth in demand for our products in these segments, along with business expansion in the motorcycle spare parts industry.

The significant growth in the data centers market, both in Malaysia and globally, is one of the key factors driving market expansion. This growth helps to counterbalance the anticipated slowdown in demand from the infrastructure and construction sectors, while boosting the demand for transformers and other electrical products. The Group is open to exploring partnership opportunities when they arise to leverage complementary strengths for mutual growth.

LED lighting and Intelligent Light Control System (iLCS) continue to be at the forefront of our priorities for this year and the near future. Our smart, integrated and adaptive lighting control system is designed to deliver significant savings on total energy costs, reduce energy consumption and minimise carbon footprint. We believe this will be a great option for users, especially companies are committed to adopting Environmental, Social and Governance (ESG) practices.

In our die-casting business, emphasis is placed on the motorcycle spare parts industry, with efforts to expand original equipment manufacturer (OEM) partnerships and broaden our product range.

During the financial year under review, we continuously strengthen our presence locally and the Southeast Asia market. As we move forward, we are committed to continuing our efforts to embed sustainability by optimising resource usage and minimising our environmental impact.

We are capitalising on positive momentum and remain optimistic about the bright prospects, with the goal of achieving satisfactory results for the financial year ending 30 June 2025.



SUSTAINABILITY STATEMENT

Framework & Standards

This Sustainability Statement is prepared based on principal guidelines provided in the Sustainability Reporting Guide (3rd Edition) by Bursa Malaysia Securities Berhad ("Bursa Securities") and refer to the Global Reporting Initiative ("GRI") Standards.

Governance Structure

The Board of Directors of Success Transformer Corporation Berhad ("STC" or "Company") ("Board") acknowledge the importance of the sustainable growth of STC and its local subsidiaries (collectively referred as "Group"). The Board holds the primary responsibility for overseeing the Group's overall performance in sustainability. It is instrumental in setting objectives, reviewing progress and formulating effective strategies across the organisation. In developing the Group's strategy, the Board has integrated Economic, Environmental, Social and Governance ("EESG") factors. The Board reviews and approves the sustainability statement and related policies.

The Risk Management and Sustainability Committee ("RMSC") is chaired by Ms. Tan Chung Ling, the Deputy Managing Director and includes a steering committee comprised of Directors and Senior Management. It has been established to oversee the sustainability management process.

The Board assigns the RMSC the responsibility of identifying, assessing and implementing control measures to manage business and sustainability risks within acceptable levels. The RMSC periodically reports these measures to the Audit Committee ("AC") for their analysis, review, consideration and discussion.

The RMSC is responsible for overseeing and guiding sustainability initiatives, especially when significant sustainability issues emerge. It prioritises the identified material matters and works closely with Management to assess the effectiveness of the measures, actions and strategies implemented. The RMSC then reports its findings and recommendations to the AC, which are subsequently presented to the Board.

A diagram of our governance structure is illustrated below:-



Scope of Disclosure

This Sustainability Statement incorporates the EESG factors to address key issues that could affect the Group's operational activities. The Group takes a proactive approach to risk mitigation and gradually identifies sustainability challenges as part of its medium and long-term planning. By working collaboratively, the Group strives to create value, drive business growth, profitability and long-term success.

The scope of this Sustainability Statement covers the sustainability performance of STC and its subsidiaries in Malaysia for the financial year ended 30 June 2024 ("FYE 2024").



SUSTAINABILITY STATEMENT (CONT'D)

Statement of Assurance

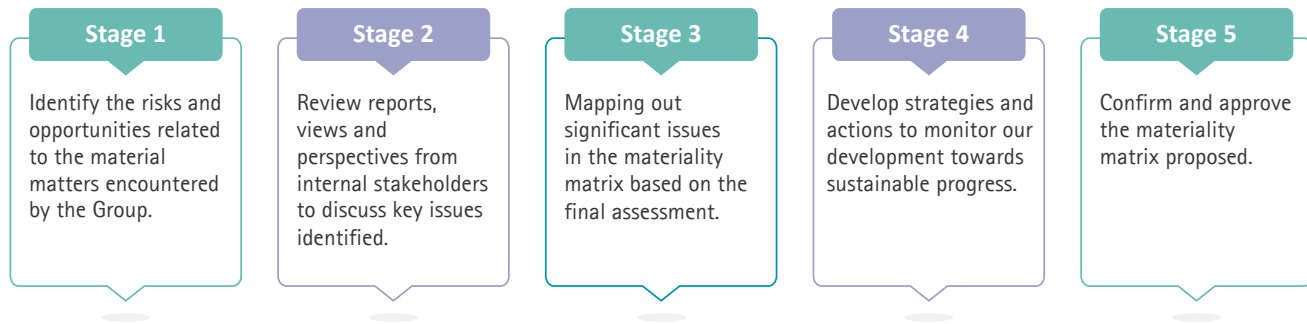
A review of our Sustainability Statement has not been conducted by any independent auditor in accordance with recognised assurance standards. Nonetheless, some data reported in this Statement has been validated internally by internal auditor and Management.

Our Materiality Assessment

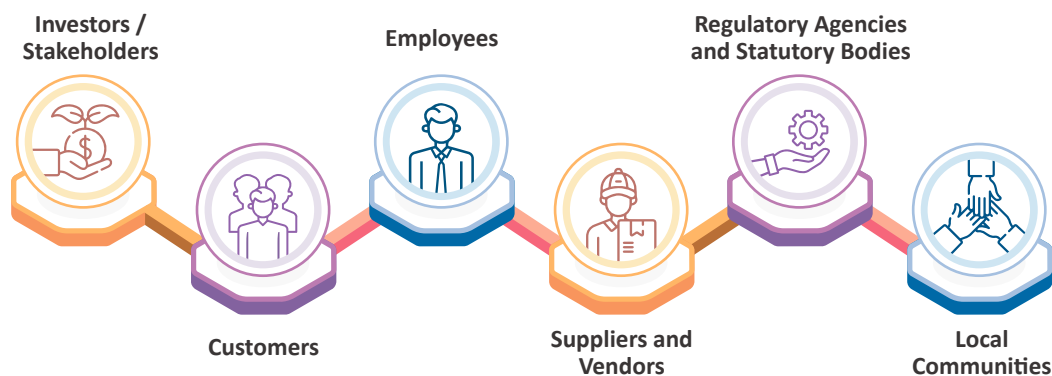
The Group determines its material topics by evaluating their impact on stakeholder decisions and their relevance to the organisation. This evaluation considers EESG aspects and common sustainability issues. The material topics are then discussed and prioritised in RMSC meetings. To support this process, questionnaires are created to facilitate meaningful discussions among members, allowing them to exchange perspectives and insights.

The RMSC creates content based on specific topics and sustainability trends, taking input from members. It then carries out sustainable development actions and monitors progress over the course of several years. In addition, the AC reviews the materiality matrix, offers feedback, insights and reports to the Board for approval after thorough examination.

The steps undertaken to evaluate material matters



Stakeholders Engagement



The Board fulfills its fiduciary responsibility by actively maintaining and sustaining relationships with external stakeholders. This involves engaging with a diverse group of parties including investors, customers, employees, communities and regulators. By actively seeking to understand their concerns and perspectives, the Board ensures that these viewpoints are integrated into the decision-making processes and align with expectations.









SUSTAINABILITY STATEMENT (CONT'D)

Stakeholders Engagement (Cont'd)

We recognise the importance of maintaining ongoing engagement with stakeholders. We have adopted various strategies to improve stakeholders relationships through communication channels such as general meetings, announcements, annual reports and community events. Regular client meetings, roundtable discussions and networking activities are integral to strengthening business rapport and relationships. Our commitment to effective collaboration with vendors enables us to work together to achieve common goals.

The table below provides a detailed overview of our stakeholders, their areas of interest and methods of engagement.

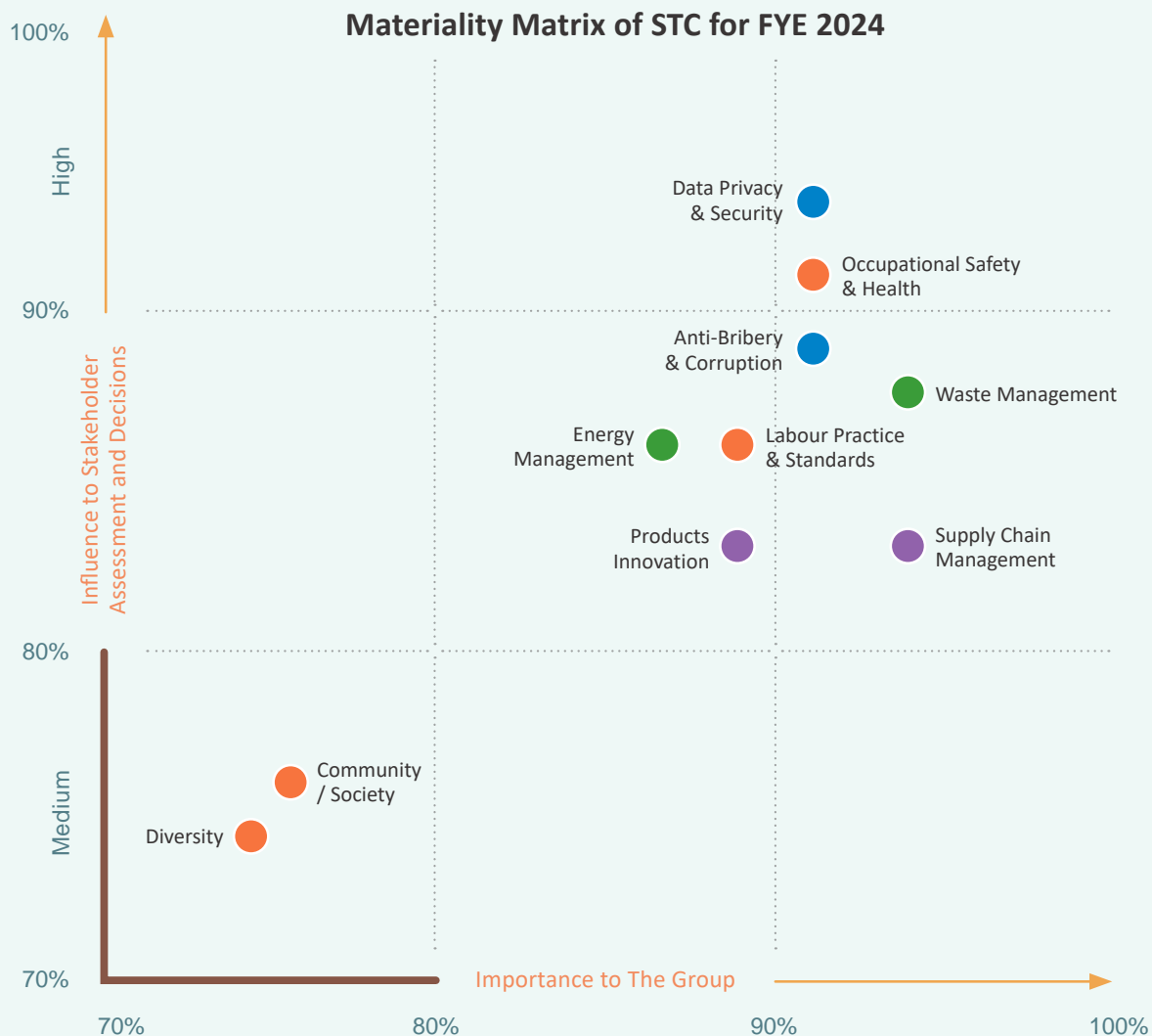
STAKEHOLDERS	AREAS OF INTERESTS	METHODS OF ENGAGEMENT
 Investors / Stakeholders	<ul style="list-style-type: none"> Group's financial performance Business strategy Sustainability matters 	<ul style="list-style-type: none"> Annual General Meeting Annual reports Quarterly reports Announcement to Bursa Securities Company's website
 Customers	<ul style="list-style-type: none"> Efficient complaints resolution Customer relationship management Product safety and security Service quality and delivery Pricing 	<ul style="list-style-type: none"> Regular client meeting Feedback sessions Community and networking events Company's website
 Employees	<ul style="list-style-type: none"> Career development programme Benefit and remuneration Occupational safety and health 	<ul style="list-style-type: none"> Workplace meeting / employee briefing Staff performance appraisals Circulations of internal policies Training Employment contract Health and safety policy
 Suppliers and Vendors	<ul style="list-style-type: none"> Payment schedule Pricing services Green sourcing material Fair procurement system 	<ul style="list-style-type: none"> Evaluation and performance reviews Contract negotiation Vendor registration
 Regulatory Agencies and Statutory Bodies	<ul style="list-style-type: none"> Compliance with laws and regulations Governance compliance Labour practices Environmental management and compliance 	<ul style="list-style-type: none"> Inspection or audit by local authorities Compliance with Bursa Securities's requirements Compliance with local statutory body such as Companies Commission of Malaysia (SSM)
 Local Communities	<ul style="list-style-type: none"> Social issues Impact of business operations Environmental impacts 	<ul style="list-style-type: none"> Community events Corporate Social Responsibility (CSR) Sustainability matters



SUSTAINABILITY STATEMENT (CONT'D)

10 Material Topics

The Sustainability Statement addresses 10 material sustainability issues that are critical to our stakeholders and integral to our Group's strategic direction and long-term growth. We prioritise supply chain management, regulatory compliance and employee safety as crucial elements for sustainable business growth. This reinforces our brand reputation while maintaining high product quality standards.



● Economic
 ● Environmental
 ● Social
 ● Governance



SUSTAINABILITY STATEMENT (CONT'D)

1. Supply Chain Management

Material Matters SDGs

Supplier Performance and Product Quality Analysis

Description

Suppliers are responsible for delivering quality raw materials and finished products, as well as providing functional services to maintain overall customer satisfaction. On our part, it is important to periodically monitor and evaluate supplier performance to ensure they are operating at their best. We assess both product quality and on-time delivery rates to ensure that the goods consistently meet our specifications and standards.

In order to minimise disruptions in our supply chains, we proactively implement contingency plans by diversifying our supplier base and sourcing from multiple vendors. We also identify recurring issues and areas for improvement. Additionally, we maintain ongoing awareness of market trends and regulatory changes, allowing our organisation to adapt and thrive in an increasingly complex and dynamic business environment.

How We Respond

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- 
- 

Initiatives & Implementations	<ul style="list-style-type: none"> ● Perform Quality and Delivery appraisals for raw material suppliers allows us to assess their reliability and ensure that procurement meets the Group's requirements and standards. These appraisals encompass factors such as material composition, consistency, durability and compliance with relevant quality certifications. ● Conduct site visits to assess the abilities, capacities and production capabilities on selected suppliers. Gain valuable insights into the suppliers' operational infrastructure, equipment and quality management. ● Discuss and work closely with suppliers to meet our requirements in terms of timeliness, scheduling and stock management. Establish clear communication with suppliers to convey expectations, address concerns and facilitate seamless collaboration. ● Through the ISO 9001:2015 Quality Management System standard and the ISO 14001:2015 Environmental Management standard, we encourage suppliers to uphold responsible sourcing, ethical business conduct and environmentally compliant practices. We are committed to ensuring legal and ethical practices throughout the entire supply chain process. ● Our business has implemented e-invoicing regulations to align financial reporting and processes with industry standards, facilitate efficient tax filing and provide adequate employees training.
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* We prioritise purchasing from local suppliers whenever possible. However, we may place large bulk orders from other regions if they are more cost-effective. Our goal is to strike a balance between these approaches for a more efficient supply chain.



SUSTAINABILITY STATEMENT (CONT'D)

2. Products Innovation

Material Matters

SDGs

Technological Advancement in Street Lighting

Description

Advanced technologies utilised in intelligent lighting systems dynamically regulate light intensity based on actual needs, resulting in significant energy savings. This feature, known as adaptive dimming, is an innovative approach that adjusts light intensity in real-time in response to specific parameters or situations. Adaptive dimming systems are highly flexible, ensuring precise light delivery exactly when and where it's needed. Furthermore, integrating sensors, connectivity and automation features enhances both energy efficiency and user comfort.

The team also developed the iLCS platform, consisting of various application modules, each meticulously designed to seamlessly capture, process and display real-time data from the field. These modules can analyse data to gain insights and initiate actions based on specific events or conditions.

Establishing strategic partnerships with relevant industries provides us with access to new markets, valuable resources and expertise. Our goal is to expand our presence and become a key player in related sectors.






How We Respond

<p>Initiatives & Implementations</p>	<ul style="list-style-type: none"> ● We have enhanced the iLCS Cloud management platform by adding more user-friendly features and icons. These improvements make it easier for users to navigate and access information. ● Our smart lighting solutions utilise cutting-edge technologies such as AI, machine learning, IoT and edge computing to provide innovative solutions, address challenges and contribute to the development of smart cities. ● Collaborate closely with industry experts to strategically enhance our products range and designs, bring fresh perspectives and innovative approaches associated with problem solvings. ● From 24 - 25 October 2023, the team attended the 9th Annual Conference & Exhibition, Smart Cities Asia 2023 in Kuala Lumpur. The event showcased cutting-edge technologies, innovative products and industry leaders shaping the future of smart cities. ● In March 2024, our team joined industry experts at the prestigious Frankfurt Light+Building Exhibition to showcase iLCS products.
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SUSTAINABILITY STATEMENT (CONT'D)

3. Waste Management

Material Matters	SDGs
<h4>Efficient Scheduled Waste Management</h4> <p>Description</p> <p>In our commitment to environmental stewardship and sustainable operations, we have implemented stringent controls for managing waste generated from our manufacturing activities. By following the guidelines set by the Department of Environment (DOE), our goal is to minimise environmental impact and reduce pollution. Our approach involves ensuring compliance while improving waste management practices. Additionally, we educate employees on best practices for efficiently handling scheduled waste.</p> <p style="background-color: #f4a460; padding: 5px; display: inline-block;">How We Respond</p>	<div style="background-color: #00a0e3; padding: 5px; margin-bottom: 5px;"> 6 CLEAN WATER AND SANITATION  </div> <div style="background-color: #e69d00; padding: 5px; margin-bottom: 5px;"> 12 RESPONSIBLE CONSUMPTION AND PRODUCT  </div> <div style="background-color: #00a0e3; padding: 5px;"> 14 LIFE BELOW WATER  </div>

Initiatives & Implementations	Scheduled Waste
	<ul style="list-style-type: none"> Established controls to manage scheduled waste from manufacturing activities, products and services to reduce environmental pollution. Ensure that scheduled waste storage, packaging and handling comply with DOE requirements, including proper documentation and inventory of its generation. As part of our continuous improvement to reduce process wastage, we have improved the transformer dipping process to minimise varnish usage. All scheduled waste generated by our operational activities will be sent to a prescribed premise within 180 days and not exceeding 20 metric tons, whichever is earlier. Conduct trainings to educate our employees on how to handle, differentiate and segregate scheduled waste & unwanted solid waste for disposal in designated waste areas by SHE officer.
	Paper
	<ul style="list-style-type: none"> Employees should consider the environmental impact before printing and aim to reduce paper usage by communicating through emails. The office uses paper made from fast-growing trees, produced with an environmentally friendly bleaching process that does not use elemental chlorine (ECF bleaching). This helps preserve natural forests by reducing the need for harvesting.

Performance Outcomes

Recycle items disposed to collector during FYE 2024:

Year	Carton (kg)	Paper (kg)	Plastic (Stretch Film) (kg)
FYE 2024	19224	11546	5181
FYE 2023	18413	7657	4339
FYE 2022	17650	869	4246

Waste generated during FYE 2024:

Waste Generated	FYE 2024	FYE 2023	FYE 2022
Scheduled Waste	3.15MT	3.33MT	4.26MT
E-Waste	-	0.95MT	-

MT: Metric ton

*There was an insignificant amount of E-Waste disposed of in FYE 2024



SUSTAINABILITY STATEMENT (CONT'D)

4. Energy Management

Material Matters

SDGs

Energy Usage

Description

We are making every effort to conserve energy throughout the day. We encourage employees to be mindful of their energy usage and incorporate these practices into daily routines so that we can collectively reduce energy consumption. The Group has taken significant steps toward sustainability by adopting solar power, recognising the importance of renewable energy and harnessing the abundant, clean energy from the sun.



How We Respond

Initiatives & Implementations

Electricity

- Reducing electricity consumption can significantly lower utility costs. Equipment should be switched on only when needed. HR encourages employees to turn off the lights during lunch breaks and electrical equipment when not in use to conserve energy and minimise consumption.



ELECTRICITY

FYE 2024

Electric Usage

Kwh
2,675,241

Solar Power

- One of our subsidiaries installed a roof-mounted photovoltaic (PV) solar system and it has received the approval from authorities in August 2023. This installation helps to reduce electricity consumption and cost savings.

Furthermore, it also addresses various environmental challenges by reducing harmful emissions and promoting the use of cleaner energy.



SOLAR

FYE 2024

Solar Power Usage

Kwh
355,888

Water

- Our manufacturing operations have minimal direct water consumption. The primary component of the wastewater produced at our factory is domestic sewage. Employees must report any leaks in pipes, valves, hoses or equipment to HR or the maintenance department.



WATER

FYE 2024

Water Usage

M³
18,803



SUSTAINABILITY STATEMENT (CONT'D)

5. Labour Practice and Standards

Material Matters	SDGs
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Positive Workplace Environment

Description

Organisations that foster positive workplace cultures are undoubtedly better equipped to adapt, innovate and thrive in rapidly changing business environments. Employees who feel supported and trusted are more resilient in the face of challenges and change, helping the organisation navigate uncertainty and seize opportunities for growth. The success of our workplace is built on effective communication, respect, recognition, cooperation, strong leadership and other six essential elements as shown in the diagram below.



How We Respond

Employees Engagement

Description

We value and appreciate our hardworking and dedicated employees. We believe that their efforts and commitment, aligned with our values, have created a collaborative work environment where individuals can thrive and contribute to the overall success of the organisation. To show our gratitude, the management organised dinners during festive celebrations.

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS



- On 10 August 2023, the Human Resource ("HR") department organised a 'Durian Feast' in the workplace to celebrate cultural diversity and create memorable experiences for the employees. This helps foster a positive company culture between employers and employees.
- During Chinese New Year, the Head of Department ("HOD") organised a dinner retreat for the department staff as part of the celebrations.
- On 29 March 2024, HR organised a Ramadan buffet at a hotel for the employees, providing an opportunity for them to come together, socialise and enjoy delicious food.
- The management also provided free lunch packs, food freebies and souvenirs to employees during festive seasons.



SUSTAINABILITY STATEMENT (CONT'D)



5. Labour Practice and Standards (Cont'd)

Material Matters

Training and Development

Description

Continuous learning is a lifelong journey and our commitment is to enhance the skills and development of our employees, propelling them forward in their careers. Broadening employees' skillsets is imperative in maintaining our competitive advantage in the ever-changing business environment. By providing ongoing training and development opportunities, we ensure our team stays abreast of industry trends and advancements. This proactive approach allows us to adapt quickly to market demands and contributes to the organisation's growth and success.

Below are the list of training topics were conducted during the FYE 2024:

TRAINING TOPICS	TYPE	TRAINING HOURS	MONTH & YEAR
Chemical Spillage and Respond Program	SHE	336	July 2023
Managing and Processing Payroll Effectively	Technical	48	July 2023
Seminar Pengurusan Buangan Berjadual dan Seminar Permatuhan Alam Sekeliling	SHE	32	August 2023
Eradicating Problem Solving with 7 Steps PDCA	Soft Skills	352	August 2023
Hazard Identification, Risk Assessment and Risk Control (HIRARC)	SHE	76	October 2023
Using reflective practice to inform personal and professional development	Soft Skills	16	November 2023
Taxation – Moving forward E-invoice switching preparedness	Technical	8	December 2023
Kemalangan, Kejadian, Near Miss dan Kerosakan Harta Benda	SHE	36.25	January 2024
Microsoft Excel 2016 (Basic)	Technical	108	January 2024
ESG Reporting and Carbon Management Workshop	Technical	24	March 2024
Deferred Tax Under MFRS	Technical	16	March 2024
Welding Technique	Technical	20	April 2024
The Fall Of The West And The Rise Of Asia	Soft Skills	32	May 2024
Microsoft Excel 2016 (Advance)	Technical	16	January 2024
E-Invoice	Technical	136.5	June 2024
Python 3 Basic to Intermediate	Technical	48	June 2024

*During FYE 2024, the man-training hours have exceeded the targeted man-training hours of 1000.



SUSTAINABILITY STATEMENT (CONT'D)

5. Labour Practice and Standards (Cont'd)

Material Matters

Below are type of training were conducted during the FYE 2024 and FYE 2023:

TYPE	NUMBER OF TOPICS		TRAINING HOURS	
	2024	2023	2024	2023
Technical	10	20	480	1904
Safety, Healthy & Environment ("SHE")	4	5	425	288
Soft Skills	3	7	400	384
Total	17	32	1305	2576

Total number of training hours by employee category as at FYE 2024:

CATEGORY	TRAINING HOURS	NO. OF ATTENDEES
Executive	391	61
Non-executive	914	125
Total	1305	186

Employees Retention Management

Description

In our organisation, it is important to ensure that we have a sufficient pool of talented and capable employees as this is essential for business continuity and sustainable growth. One of the key strategies for attracting and retaining employees is offering employee benefits.

How We Respond

Initiatives & Implementations	<ul style="list-style-type: none"> ● Prioritise employees well-being by providing medical benefits such as hospitalisation insurance coverage and reimbursement for medical expenses incurred for common illness. ● In November 2023, our HR department, in collaboration with Perkeso, organised a free medical check-up for employees aged 40 to 59. This three-day event aimed to help employees detect or receive early warnings for conditions such as diabetes, high blood pressure, cancer and heart disease. ● Host weekly badminton activity to promote physical, mental and social health. ● Provide uniforms to employees and designate parking spots for expectant mothers. ● Provide support through our 'Succession Planning' program. This program involves preparing employees to take on higher-level roles, ensuring continuity and effectiveness in leadership transitions.
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SUSTAINABILITY STATEMENT (CONT'D)

6. Occupational Safety and Health

Material Matters

SDGs

Workplace Audits & Inspections

Description

Workplace audits and inspections are essential for ensuring safety, compliance and efficiency. These processes involve comprehensive reviews of the workplace environment, practices and procedures. The Safety, Health and Environment ("SHE") committee will inspect the general condition of the workplace and surrounding areas. The SHE committee strives for ongoing improvement by reviewing safety performance, monitoring progress, tracking records and implementing preventive and corrective actions to enhance safety standards in the manufacturing environment.



How We Respond

<p>Initiatives & Implementations</p>	<ul style="list-style-type: none"> ● Ensure workplace practices adhere to safety and environmental regulations as well as comply with other regulatory bodies. ● The SHE committee has designated members to oversee relevant safety and health matters in their respective departments and evaluate the outcomes. They have established a system for compliance reporting and record-keeping. ● Perform audits and inspections to ensure a safe, healthy and environmentally responsible workplace by implementing preventive measures. Identify hazards and their associated risks related to our operations. ● SHE committee regularly reviews Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), personal protective equipment (PPE) and emergency procedures. ● SHE committee holds quarterly meetings to discuss all relevant matters. ● We have conducted a total of 480 manhours of safety training during the FYE 2024. ● We have zero work fatalities reported at our premises during the FYE 2024.
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Risk Management & Mitigation

Description

In order to create a safe and secure working environment, we have established an effective framework. This framework ensures thorough incident reviews, investigations and proactive actions to prevent occurrences. We have regular training programs such as toolbox and safety briefings are implemented to enhance employees' knowledge and skills, preparing them to effectively manage safety procedures and address potential hazards.

We also regularly review and revise our HIRARC processes to identify and mitigate risks promptly. Our goal is to eliminate unsafe acts and conditions, prevent occupational illnesses and injuries in the workplace. We strive to foster a culture of vigilance and continuous improvement to safeguard the well-being of all employees.



SUSTAINABILITY STATEMENT (CONT'D)

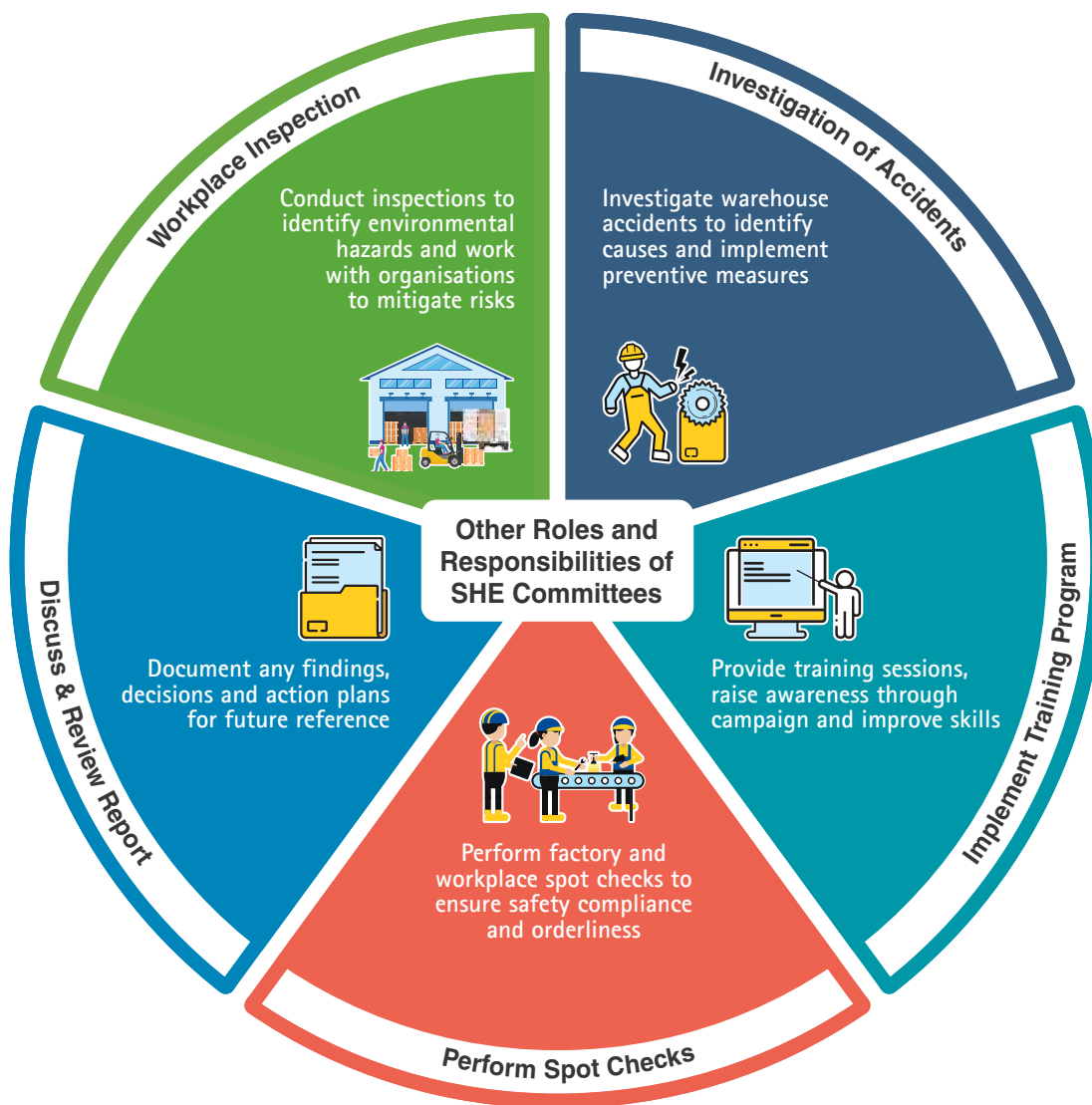
6. Occupational Safety and Health (Cont'd)

Material Matters

Scopes and Functions of SHE Committees

Description

SHE ensures emergency preparedness, support environmental initiatives and promote health and wellness programs, all aimed at protecting employees and maintaining a secure working environment. Outlined below are the functions and responsibilities of each SHE Committee Member in accordance with Occupational Safety and Health (Amendment) Act 2022 and the Environment Quality Act 1974 (Act 127).





SUSTAINABILITY STATEMENT (CONT'D)

7. Diversity


Material Matters

SDGs


Social Harmony & Thriving Workforce

Description

Embracing diversity means valuing and recognising the multitude of human differences, including race, ethnicity, gender, sexual orientation, socioeconomic status, religion, age and disability. It fosters collaboration, innovation and performance among diverse groups in the organisations. It also promotes fairness, equal opportunity and a harassment-free environment. Cultivating diversity inculcates mutual respect among individuals and communities, acknowledging these differences as essential aspects of human identity and experience. There were no reported discrimination and harassment cases related to equality and diversity during the FYE 2024.

Diversity
Include individuals who bring diverse backgrounds, identities and perspectives into the group.

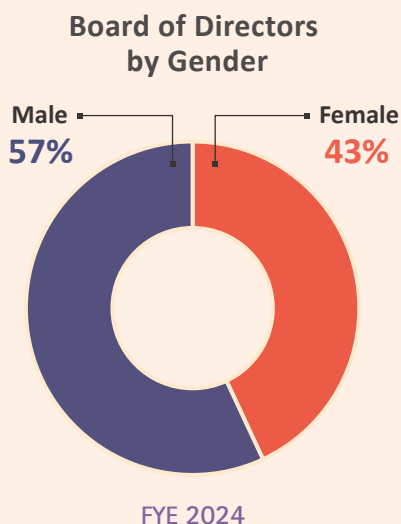


Equal Opportunity
Providing everyone with employment opportunities, trainings and career advancement.



Non-Discrimination
Treating all employees and job applicants fairly and without prejudice based on their race, color, religion and disabilities.

The summary of board of directors by gender is provided below:



Board of Directors

Male 4

Female 3

We continued to uphold women in leadership and fulfilled the requirement of having more than 30% female Directors on our Board as required by the Malaysian Code on Corporate Governance 2021 ("MCCG").

The contribution of both female and male directors on corporate boards is invaluable, as it brings a wide range of perspectives and experiences that are essential for decision-making and effective governance.









SUSTAINABILITY STATEMENT (CONT'D)

7. Diversity (Cont'd)

Material Matters

The summary of our workforce position, gender and age by employee category during the FYE 2024:

JOB POSITION	NUMBER OF PEOPLE	GENDER		AGE		
				<30	30-50	>50
 Management	78	Male	52	1	29	22
		Female	26	0	21	5
 Executive	84	Male	36	3	29	4
		Female	48	9	38	1
 Non- Executive / Technical Staff	157	Male	94	22	61	11
		Female	63	23	33	7
 General Workers	274	Male	246	163	82	1
		Female	28	8	15	5
TOTAL	593		593	229	308	56

Total number of employee turnover by employee category during the FYE 2024 and FYE 2023:

CATEGORY	FYE 2024		FYE 2023	
Management	1	1.3%	2	2.6%
Executive	11	13.1%	17	19.8%
Non-executive / Technical Staff	18	11.5%	26	17.8%
General Workers	16	5.8%	31	11.0%
Total Employees Turnover	46	7.8%	76	12.9%

Total number of new employees hired by category during the FYE 2024:

GENDER	TOTAL
Male	36
Female	27
Total	63



LOCAL & FOREIGNER WORKERS	TOTAL
Local	42
Foreigner	21
Total	63





SUSTAINABILITY STATEMENT (CONT'D)

8. Community / Society

Material Matters	SDGs
<p>Nurturing Wellness and Social Responsibility</p> <p>Description</p> <p>Wellness programs are essential for improving employee health and well-being. The Group focuses on promoting and supporting healthy lifestyle choices through these programs that often include fitness challenges aimed at enhancing physical, mental and emotional health, raising awareness, and encouraging regular physical activity.</p> <p>The Group acknowledges the significance of community engagement and strives to give back through its CSR initiatives. We have contributed to non-profit organisations to help them acquire resources needed to tackle societal challenges and assist those in need. This initiative underscores the Group's dedication to corporate social responsibility and its commitment to giving back to society.</p>	  



How We Respond

Initiatives & Implementations	
	<ul style="list-style-type: none"> On 8 June 2024, we hosted a badminton tournament within our employee community to encourage them to stay active and healthy while fostering relationships among employees. The winners were awarded with trophy and cash reward. (refer to page 40). The Weight Reduction Challenge 3-month program (April – July 2024) was organised by HR to encourage employees to adopt a healthy lifestyle. Top 5 male and 5 female participants with the highest BMI were selected. The objective of this competition is to encourage employees to take care of their health by practicing good nutrition, rethinking their eating habits and engaging in exercise activities that lead to effectively reducing overall body weight. The winners were awarded with trophy and cash reward. On 17 August 2023, HR organised a blood donation program that enabled employees to donate blood conveniently at the workplace. This initiative aimed to support the community and foster a sense of social responsibility. (refer to page 39). During the year, the company donated RM2,000 to Tabung Kebajikan Pasaran Modal as an effort to assist deserving students from the B40 group in accessing tertiary education. The Group believes the importance of producing knowledgeable and skilled future generations. During the year, the Group donated a total of RM160,000 to Tabung Persatuan Rumah Ibadat (TPRI) Fo Guang Shan and RM124,300 to various non-profit organisations for charitable causes.



SUSTAINABILITY STATEMENT (CONT'D)



9. Anti-Bribery and Corruption

Material Matters

SDGs

Commitment to Integrity and Work Ethics

Description

Our organisation is dedicated to upholding integrity, transparency and ethical conduct. Understanding and adherence to our policy and procedures are essential. This Anti-Bribery and Corruption ("ABC") policy outlines our commitment to preventing corruption and improper behavior in accordance with anti-corruption laws. We maintain a zero-tolerance stance towards corruption, bribery and unethical actions as stated in the ABC policy. This policy is communicated to senior management and employees through induction program and corporate website. We advocate for transparency in all business transactions and support fair competition by rejecting bribery, extortion, collusion and other unprofessional business practices.



How We Respond

Initiatives & Implementations	<ul style="list-style-type: none"> • Employees from selected departments who expose to high risk of corruptions attended an in-house training on anti-bribery and corruption policies, measures and compliance procedures. This training is intended to provide essential baseline information about the Group's anti-bribery commitment and to raise awareness among employees. • Employees are encouraged to communicate any doubts or concerns with their Head of Department. Effective feedback is essential to enhance the anti-bribery program and maintain compliance. • All new employees will be trained to understand and abide by the ABC policy. They are required to sign a declaration form and comply with the ABC policy on their first day of work. • Any reports of suspected bribery or corruption will be handled with the utmost confidentiality and employees who report in good faith will be protected from retaliation. • There have been no case reports via whistleblowing platform throughout the year.
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Below is the number of attendees for the anti-bribery and corruption training conducted on FYE 2024:

CATEGORY	NO. OF ATTENDEES	TOTAL OF EMPLOYEES	
Management	70	78	89.7%
Executive	57	84	67.9%
Non-Executive / Technical Staff	27	157	17.2%
Total	154	319	48.3%



SUSTAINABILITY STATEMENT (CONT'D)

10. Data Privacy & Security

Material Matters

SDGs

Data Loss Prevention System

Description

We recognise that establishing cybersecurity resilience requires a proactive approach that includes prevention, detection, response and recovery strategies. Data Loss Prevention ("DLP") systems are a crucial part of cybersecurity as they serve as the paramount protectors of sensitive data, maintaining ceaseless vigilance against mishandling, misuse or unauthorised access. They operate by keeping a close watch on any possible security breaches, quickly identifying them and taking measures to prevent confidential data from being compromised. By rigorously enforcing procedures, DLP systems safeguard data from inadvertent leaks, malicious exfiltration and breaches of compliance.

Data breaches can have serious consequences for organisations. The Management Information System ("MIS") team use DLP systems to protect valuable information. These systems use strong encryption, content inspection and behavior analysis to strengthen the digital defenses of companies. In today's world, where information is both valuable and risky, DLP systems are essential for safeguarding against data loss.



How We Respond

<p>Initiatives & Implementations</p>	<ul style="list-style-type: none"> ● By enforcing access controls, the MIS department ensures that only authorised personnel have the necessary permissions to view, modify or interact with sensitive data. ● Limit access controls may include techniques such as user authentication (e.g., passwords), authorisation (defining user permissions) and monitoring / logging access activities. ● Stringent security protocols are implemented to efficiently mitigate risks and promptly notify the MIS department of any data breaches. ● Strengthen our defense against evolving threats by consistently updating the operating system. Keep abreast of the latest cybersecurity threats and best practices. Rectify any existing security vulnerabilities that pose a risk of exploitation. ● Conduct system monitoring, routine backups and user privilege role management. Improve oversight of remote network access by enhancing control over authorised users. ● Close monitoring of any suspicious activities prompts the MIS department to respond by blacklisting malicious emails and blocking access to domains when necessary. Additionally, they perform antivirus/malware scans to remove any threats from affected machines. ● No complaints were received concerning breaches of customers' privacy and losses of customer data during the year.
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SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

INDICATOR	MEASUREMENT UNIT	FYE 2024
1. Bursa (Anti-Corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	89.70
Executive	Percentage	67.90
Non-executive / Technical staff	Percentage	17.20
General Workers	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	26.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
2. Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	284,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7
3. Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.17
Management Between 30-50	Percentage	8.43
Management Above 50	Percentage	4.55
Executive Under 30	Percentage	2.02
Executive Between 30-50	Percentage	11.30
Executive Above 50	Percentage	0.84
Non-Executive / Technical Staff Under 30	Percentage	7.59
Non-Executive / Technical Staff Between 30-50	Percentage	15.85
Non-Executive / Technical Staff Above 50	Percentage	3.04
General Workers Under 30	Percentage	28.84
General Workers Between 30-50	Percentage	16.36
General Workers Above 50	Percentage	1.01
Gender Group by Employee Category		
Management Male	Percentage	8.77
Management Female	Percentage	4.39
Executive Male	Percentage	6.07
Executive Female	Percentage	8.10
Non-Executive / Technical Staff Male	Percentage	15.85
Non-Executive / Technical Staff Female	Percentage	10.62
General Workers Male	Percentage	41.48
General Workers Female	Percentage	4.72
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	57.14
Female	Percentage	42.86
Under 30	Percentage	0
Between 30-50	Percentage	28.57
Above 50	Percentage	71.43



SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

INDICATOR	MEASUREMENT UNIT	FYE 2024
4. Bursa (Energy Management)		
Bursa C4(a) Total energy consumption	Megawatt	2675.24
5. Bursa (Health and Safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	86
6. Bursa (Labour Practices and Standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	178
Executive	Hours	213
Non-Executive / Technical Staff	Hours	913
General Workers	Hours	1
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	11
Non-Executive / Technical Staff	Number	18
General Workers	Number	16
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
7. Bursa (Supply Chain Management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	47.00
8. Bursa (Data Privacy and Security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
9. Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	18.803000

Corporate Social Responsibility

BLOOD DONATION

GIVE BLOOD, GIVE LOVE!

The Company organised a blood donation event on 17 August 2023 in collaboration with the National Blood Bank. This thoughtful event provided our employees with an opportunity to contribute to a stable blood supply for those in need. By working towards a common goal, it ultimately fostering a more engaged and socially conscious workforce. This exemplary initiative reinforces our organisational commitment to contributing positively to society.

The event was carefully planned to encourage as many eligible employees as possible to participate. The Human Resource (HR) department designated a specific area within the workplace for employees to donate blood, ensuring that the event runs seamlessly. Before the event, information sessions were held to educate employees about blood donation, safety protocols and screenings as well as the significance of social responsibility. Refreshments and rest areas were also arranged for employees to relax and post-donation recovery. Employees expressed a sense of unity and gratitude for being able to participate in the meaningful event.





SUSTAINABILITY STATEMENT (CONT'D)

Corporate Social Responsibility (Cont'd)

BADMINTON TOURNAMENT

WIN WITH YOUR BEST SHOT!



Sports help improve overall health by promoting fitness, strengthening muscles, enhancing coordination and increasing cardiovascular endurance. Hosted by HR, our badminton tournament held on 8 June 2024.

It was a day dedicated to sports and camaraderie, allowing employees to engage, interact, compete and strengthen bonds with colleagues. Moreover, badminton cultivates a sense of community and belonging, bringing people together from diverse backgrounds and fostering social connections.

By fostering an environment that encourages physical activity, organisations can help employees maintain health, improve mental well-being and boost energy levels at work, leading to a healthier and more productive workforce.

HR also took this opportunity to uncover talents among employees through badminton, enabling them to be selected for other badminton competitions organised by various associations.





CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Success Transformer Corporation Berhad ("**STC**" or "**Company**") ("**Board**") acknowledges the importance of establishing and maintaining high standards of corporate governance structure within STC and its subsidiaries and associates ("**Group**" or "**STC Group**"). Steadfast in discharging its responsibilities to safeguard and increase shareholders' value as well as the Group's financial performance, the Board is committed to ensure that the principles and best practices of the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") are implemented.

The Corporate Governance Overview Statement ("**CG Statement**") provides a summary of the corporate governance practices of the Company during the financial year ended 30 June 2024 ("**FYE 2024**") with reference to the three key principles of good corporate practices as set out in the MCCG 2021. This CG Statement is prepared in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") and it is to be read together with the Company's Corporate Governance Report ("**CG Report**") for the FYE 2024. The CG report of the Company is available on Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.stcgroup.com.my.

The CG Report provides the details on how the Company has applied each of the Practices as set out in the MCCG 2021 and any departures thereof during the FYE 2024. Save for the exceptions which are fully described in the CG Report, the Board is satisfied that the Company has complied with the MCCG 2021 throughout the FYE 2024.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the overall governance and conduct of the Group's strategic plan, including its implementation and is accountable for the performance of the Group.

The Board assumes the following duties and responsibilities:

- Reviews and adopts a strategic plan for the Company, addresses the sustainability of the Company's business policies, take into consideration of Economic, Environmental, Social, and Governance ("**EESG**") aspects and performance as well as to ensure they fit in with the Company's overall business strategy;
- Oversees the conduct of the Company's business;
- Identifies principal risks faced by the Group and ensuring the implementation of appropriate systems to manage and mitigate these risks;
- Succession planning, including appointing and training or replacing Directors;
- Reviews the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Code of Conduct, directions and guidelines established by the relevant regulatory bodies;
- Oversees the development and implementation of a shareholder communication policy; and
- Reviews the adequacy and integrity of the Group's internal control management information system.

To assist in the discharge of its duties, the Board has established the Audit Committee ("**AC**"), Nomination Committee ("**NC**"), Remuneration Committee ("**RC**") and Employees' Share Option Scheme ("**ESOS**") Committee ("**EC**") (collectively known as the "**Board Committee(s)**"), to examine specific issues within their respective terms of reference as approved by the Board and to report their recommendations to the Board. The ultimate responsibility for decision making, however, lies with the Board.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Chairman

The Chairman is responsible for the leadership of the Board in ensuring the effectiveness in all aspects of its role. The Chairman assumes the following duties and responsibilities:-

- leading the Board in establishing and monitoring good corporate governance practices in the Company;
- leading the Board and ensures effectiveness in all aspects of its role;
- ensuring an efficient organisation and conduct of the Board's function and meetings;
- facilitating the effective contribution of all Directors at Board meetings;
- chairing Board meetings and encouraging active participation and allowing dissenting views to be freely expressed and discussed during the meetings;
- chairing general meetings of the Company and providing clarification on issues that may be raised by the shareholders;
- promoting constructive and respectful relations between Directors, as well as between the Board and Management of STC; and
- ensuring effective communication with the shareholders and relevant stakeholders.

Separation of Positions of the Chairman and Managing Director

The Chairman and the Managing Director are held by two different individuals. During the FYE 2024, the Board is led by the Independent Non-Executive Chairman, Datuk Ir. Kamarudin Bin Md Derom, focusing on governance and compliance, whereas the Managing Director, Tan Ah Bah @ Tan Ah Ping, manages the business and operations of the Group and implements the Board's decisions. There is a clear division of responsibilities between the Chairman and Managing Director to engender accountability and facilitate the division of responsibility, such that no individual has unfettered powers over decision making. The Chairman is responsible in ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meeting to ensure that contribution by Directors is forthcoming on matters being deliberated and that no Board member dominates discussion. The Managing Director, supported by the Key Senior Management team, implements the Group's strategic plans, policies and decisions adopted by the Board and oversees the operations and business development of the STC Group.

Independent Non-Executive Directors and Non-Independent Non-Executive Directors

The Independent Non-Executive Directors and the Non-Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interest, not only of the Group, but also of shareholders, employees, customers, suppliers and many other stakeholders in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interest of shareholders and able to make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Committee(s)

The Board is supported by the Board Committees comprises of Independent Non-Executive Directors to provide independent oversight of management and to ensure that there are appropriate checks and balances in discharging its oversight function. The Board may form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency.

Nonetheless, the Board Committees have their roles and functions, written terms of reference and authorities defined. The Board will review the terms of reference of the Board Committees annually to ensure that the terms of reference remain relevant.

The terms of reference of the Board Committees are available on the Company's website at www.stcgroup.com.my.

Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

Audit Committee

The duties and responsibilities of the AC are as follows:

- Reviews the performance of the external auditors according to the term of reference of Audit Committee and Non-audit fee policy.
- Considers and recommends the appointment of the external auditors, audit fees and any question in regard to resignation or dismissal;
- Reviews the quarterly results and year ended financial statements, prior to obtaining approval from the Board;
- Convenes meetings with the external auditors, internal auditors or both, without the presence of Directors and employees of the Group, whenever the AC deemed necessary;
- Performs the following in relation to the internal audit function:
 - o reviews the adequacy of the scope, function, competency and resources of the internal audit function, and that it has the necessary authority to carry out its works;
 - o reviews the internal audit results and where necessary ensures that appropriate action is taken on the recommendations of the internal audit function;
 - o reviews the appointment or re-appointment of the internal auditors, the audit fee and questions of resignation or dismissal; and
 - o reviews Statement on Risk Management and Internal Control to be published in the Annual Report of the Company.
- Reviews the related parties' transactions and conflict of interest situations that may arise within the Company or the Group including transaction, procedure or course of conduct that raises a question of management integrity;
- Identifies and directs any special project or investigate and report on any issue or concern in regard to the Management of the Group;
- Reviews and discusses sustainability matters with the Risk Management and Sustainability Committee ("RMSC") and reports to the Board;
- To keep under review the whistle-blowing mechanism and anti-corruption compliances of the Company;
- Considers other topics as highlighted by the Board; and
- Undertakes continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Committee(s) (Cont'd)

Nomination Committee

The duties and responsibilities of the NC are as follows:

- Identifies and recommends to the Board suitable nominees for appointment to the Board and Board Committees;
- Facilitates and organises the effectiveness assessment for the Board, the Board Committees, each individual Director and the Company Secretaries on an ongoing basis;
- Reviews regularly the Board structure, size and composition and makes recommendations to the Board with regard to any adjustments that are deemed necessary, including succession plan;
- Considers in making its recommendations, candidates for directorships proposed by the Chief Executive Officer or any other senior executive or any Director or shareholder;
- Recommends to the Board, Directors to fill the seats of the Board Committees;
- Assists the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board;
- Recommends to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation;
- Assesses the independence of the Independent Directors annually;
- Reviews the fulfilment of Director's training, and discloses details in the Annual Report as appropriate; and
- Carries out annual evaluation of the Board includes review of the Board's performance in addressing the Group's material sustainability risk and opportunities.

Remuneration Committee

The duties and responsibilities of the RC are as follows:

- Considers and recommends to the Board the remuneration framework for Directors, including Chairman as well as the Key Senior Management;
- Reviews and assess the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the Group successfully; and
- Reviews the Remuneration Policy annually with due consideration on relevant factors such as the demands, complexities and performance of the Company as well as the skills and experience required for the Directors and Key Senior Management.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Committee(s) (Cont'd)

ESOS Committee

The duties and responsibilities of the EC are as follows:

- Administers the ESOS in accordance with the provisions of the By-Laws of the ESOS by doing all acts and things and/or caused the Company to enter into any transaction, agreement, deed, document or arrangement, make rules, regulations or impose terms and conditions or delegate part of its powers relating to the ESOS, which the EC may in its discretion consider to be necessary or desirable to give full effect to the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company;
- Exercises its power to correct any defect, omission, or reconcile any inconsistency in the ESOS or in any agreement providing for an ESOS in a manner and to the extent it shall deem necessary to expedite and make the ESOS fully effective; and
- Recommends to the Board any modification, variation and/or amendment of the By-Laws of the ESOS as it shall in its discretion think fit at any time and from time to time.

The Board has been authorised and empowered to give effect to the establishment of an ESOS of up to 15% of the total number of issued shares of STC (excluding treasury shares) at any point in time during the duration of the ESOS for the eligible employees and Directors of STC Group.

The EC is currently headed by Chan Foong Ping and comprises of three (3) other members namely Dato' Tan Wei Neng, Dato' Yeoh Kim Wah and Tan Chung Ling.

Board Charter

There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company lies with the Board. In discharging its duties, the Board is guided by its Board Charter which outlines the authorities, delegations, responsibilities of the Board and other matters that are specifically reserved for the Board.

Significant matters requiring deliberation and approval from the Board are also clearly defined in the Board Charter as matters reserved for the Board for consideration and approval during the Board meetings. The key matters reserved for the Board's approval, amongst other matters, include corporate plan and programme, material acquisitions and disposals, material investments, major agreements/contracts, changes to the management and control structure and compliance with relevant laws and regulations. In addition, the authorisation requirements delegated to the Management are incorporated in the key business processes and stated in the Group's policies and procedures.

The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom the management function is properly delegated by the Managing Director. The Management provides the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

In line with Practice 2.1 of the MCGG 2021, the Board Charter is available on the Company's website at <http://www.stcgroup.com.my/policy/policy-procedure.html>.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Code of Conduct

The Board has formalised a Code of Conduct, setting out the standards of conduct expected from Directors and all employees of the Group. The Code of Conduct provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during the appointment. The Board should periodically review the Code of Conduct and a summary of the Code of Conduct is available on the Company's website at <http://www.stcgroup.com.my/policy/policy-procedure.html>.

Whistle Blowing Policy and Procedure

The Board has established a Whistle Blowing Policy and Procedures to foster an environment where integrity and ethical behaviour are maintained and any illegal acts or failure to comply with regulatory requirements that are taking place may be exposed. The Whistle Blowing Policy and Procedures provides a mechanism for employees, stakeholders and other interested parties to confidentially bring to the attention of the AC any concerns related to matters covered by the Group's Code of Conduct, legal issues and accounting or audit matters.

The Whistle Blowing Policy and Procedures is available on the Company's website at <http://www.stcgroup.com.my/policy/policy-procedure.html>.

Anti-Bribery and Corruption Policy

The Company adopts the Anti-Bribery and Corruption Policy which governs the prevention of corruption and unethical practices within the Group pursuant to the MMLR and Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The purpose of the Anti-Bribery and Corruption Policy is to set out the Company's responsibilities including the employees, officers and directors to observe and uphold the Company's position against corruption and bribery. The Anti-Bribery and Corruption Policy provides information and guidance on how the Company expects the employees to conduct themselves, recognise bribery and corruption and to set out the procedure on how to raise concerns on breach of the Anti-Bribery and Corruption Policy.

The Anti-Bribery and Corruption Policy is published on the company website at <http://www.stcgroup.com.my/policy/policy-procedure.html>.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact of the Group's business on the economic, environmental, social and governance aspects is taken into consideration. The Board will incorporate the above aspects while formalising the company's strategies on promoting its sustainability.

Access to Information and Advice

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs. Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Besides that, the Board may obtain independent professional advice if so required in furtherance of their duty at the Company's expense upon approval from the Board. In additional, the Board is regularly updated and advised by the Company Secretary who is qualified and competent on statutory and regulatory requirements in carrying out its roles and responsibilities.

The Management provides the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate. Every possible effort will be made to ensure that the Board papers to be tabled at a Board meeting and it will be made available in a good time to all the Directors who are attending the Board meeting regardless of the location.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Assignment of Authority and Responsibility

Directors may delegate their powers as they consider it appropriate through appropriate manual of delegations or manual of authorities. However, the ultimate responsibility for strategy and control rests with the Directors as guided by the Managing Director.

Company Secretaries

The Board is supported by two (2) suitably qualified and competent company secretaries. The Board receives regular advices, updates and notifications from the Company Secretaries to ensure compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend all the Board and Board Committee meetings and ensure that all meetings are properly convened and all deliberations as well as decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed and the applicable statutory and regulatory requirements are observed.

Board Meeting and Meeting Materials

In order to discharge the Board's responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals together with the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

The notice of meetings and agendas are sent to the Directors electronically at least one week in advance and Board meeting papers are delivered to the Directors electronically at least five (5) business days prior to the Board meeting. This enables the Directors to prior peruse the matters to be deliberated upon, and if necessary, further information are provided at the meeting for deliberation and informed decision making. External advisors may be invited to attend Board meetings to provide further details, clarifications and/or advise the Board as and when required on matters to be deliberated.

Board Composition

The Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities.

As at the date of the Annual Report, the Board has seven (7) members (excluding Alternate Director) comprising one (1) Independent Non- Executive Chairman, one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director, and four (4) Executive Directors (including a Managing Director and 2 Deputy Managing Directors). This composition complies with Paragraph 15.02 of the MMLR whereby the Company requires at least two (2) or one-third (1/3) of the Board, whichever is higher, are the independent directors. For information purposes, Tan Chung Chiah was appointed as the Alternate Director to Tan Ah Bah @ Tan Ah Ping on 18 May 2023.

The Board through its NC conducts an annual review of its sizes and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals.

The Board noted that Practices 5.2 of the MCCG 2021 has recommended for at least half of the Board members to be independent directors.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

Based on the review of the Board's composition and assessment of individual Directors during the FYE 2024, the Board is satisfied that the current Independent Directors are able to exercise independent and objective judgement and act in the best interests of the Company even though they do not form at least half of the Board members. Therefore, the lack of at least half of Independent Directors on the Board did not jeopardise the independence of Board deliberations and all decisions were made in the best interests of the Company.

The profile of each Directors are presented on page 6 to 9.

Boardroom Diversity

The Board recognises that Board diversity is an essential element contributing to the sustainable development, makes prudent business sense and promote better corporate governance of the Company and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity are essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. The Board is satisfied with the current composition of its members and is of the view that with the current mix of skills, knowledge, experience and strength of its members has enabled the Board to discharge its duties effectively and in a competent manner. In addition, the Board has maintain at least 30% women directors in the Board to achieve Practice 5.9 of the MCCG 2021 and 30% women in Senior Management.

The Diversity Policy is available on the Company's website at <http://www.stcgroup.com.my/policy/policy-procedure.html>.

As at date of this Annual Report, the diversity of the Board (excluding Alternate Director) in the gender and age distribution falling within the respective age group is as follows:

	Gender	Age Group (Years)					
		36-40	41-45	46-50	51-60	61-65	66 and above
Number of Directors	Male	-	-	-	1	-	3
	Female	-	1	1	1	-	-

Presently, there are three (3) female Directors (excluding Alternate Director) on the Board, representing 43% of the Board. Meanwhile, there is also 33% women employees in the Senior Management team of subsidiaries of STC in Malaysia.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Time Commitment

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year and additional meetings are convened as and when necessary. The Board obtains the commitment from Directors to devote sufficient time and effort to carry out their responsibilities at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. It is also stated in the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the MMLR allow a Director to hold five (5) directorships in listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings.

The Board held five (5) meetings during the FYE 2024 and the attendance of each Director are as follows:

Name of Directors	No. of Meetings Attended
Datuk Ir. Kamarudin Bin Md Derom	5/5
Tan Ah Bah @ Tan Ah Ping	5/5
Tan Chung Ling	5/5
Dato' Tan Wei Neng	4/5
Tan Chung Chay	5/5
Chan Foong Ping	5/5
Dato' Yeoh Kim Wah	5/5

Directors' Training

All Directors of the Company have successfully completed the Mandatory Accreditation Programme ("MAP") Part I and Part II, prescribed by Bursa Securities, saved for Datuk Ir. Kamarudin Bin Md. Derom and Dato'Yeoh Kim Wah who will be attending the MAP Part II before the due date of 31 August 2025. The Directors will continue to attend other relevant training programmes as appropriate, to further enhance their skills and knowledge as well as fully equip themselves to effectively discharge their duties.

During the FYE 2024, all Directors of the Company had attended appropriate training or seminar programs to update and enhance their knowledge to enable them to discharge their duties and responsibilities more effectively as a Director, in addition to keep abreast of the development in the marketplace. The training programs attended by the Directors are as follows:-

Name of Directors	Training Programe
Datuk Ir. Kamarudin Bin Md. Derom	<ul style="list-style-type: none">The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed.
Tan Ah Bah @ Tan Ah Ping	<ul style="list-style-type: none">The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed.
Tan Chung Ling	<ul style="list-style-type: none">The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed.
Dato' Tan Wei Neng	<ul style="list-style-type: none">The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed.Implementation of E-Invoice training



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training (Cont'd)

Name of Directors	Training Programme
Tan Chung Chay	<ul style="list-style-type: none"> The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed.
Chan Foong Ping	<ul style="list-style-type: none"> The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed. Mandatory Accreditation Programme Part II : Leading For Impact (LIP) Conflicts of interest and Governance The Key Amendments to the Listing Requirements relating to Sustainability Training for Directors The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting Conflicts of interest Virtual Webinar - Decoding the TCFD Reporting Framework Corporate Liability Refresher Training Antibribery & Corruption Training (ABC) Valuation Webinar - Navigating the Updates on International Valuation Standards : Transforming Valuation Practices
Dato' Yeoh Kim Wah	<ul style="list-style-type: none"> The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed
Tan Chung Chiah	<ul style="list-style-type: none"> The fall of the west and the rise of Asia, what are the mechanisms at work and where is Malaysia placed. Budget 2024 – Unleash the T I G E R Mia International Accountants Conference 2024: Navigating New Frontiers, Embracing Sustainability

The Company Secretaries will circulate the relevant statutory and regulatory requirements from time to time for the Board's reference and brief the Board on the updates, where applicable. The external auditors will also provide briefing to the Board on Malaysian Financial Reporting Standards that affect the Group's financial statement for the financial year under review.

The Board will on continuing basis evaluate and determine the training needed for each of the Directors, particularly on relevant new laws, regulations and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Review of Candidates Proposed for Appointment as Directors and Appointments to the Board

The objective of the NC is to ensure that there is a formal and transparent procedure for the appointment of new directors as well as appraisal of directors for recommendation to the Board. However, the Board has the final decision on appointments after considering the recommendations by the NC. The current NC of the Company comprises entirely of Non-Executive Directors and the members are as follows:

Name	Designation	Directorship
Chan Foong Ping	Chairman	Independent Non-Executive Director
Datuk Ir. Kamarudin Bin Md Derom	Member	Independent Non-Executive Chairman
Dato' Yeoh Kim Wah	Member	Non-Independent Non-Executive Director

The NC held one (1) meeting during the FYE 2024 and all Committee members attended the meeting.

The composition, authority as well as the duties and responsibilities of the NC are set out under its terms of reference, which is available on the Company's website at www.stcgroup.com.my.

The NC will assess the suitability of an individual by referring to the Diversity Policy of the Company, which particularly focused on the individual's mix of skills, experience and professionalism that the candidate can bring to complement the Board and Key Senior Management to discharge its responsibilities in an effective and competent manner. A diverse Board composition is crucial for promoting different perspective and ensure inclusive decision making. Therefore, to ensure a balanced board composition, the NC reviewed the diversity of the Board to ensure it can provide desired mix of experience, skills, competence, race, gender, culture and nationality.

The other factors that will be taken into account by the NC before making recommendations to the Board include the candidates' ability to commit sufficient time and attention to the Group's matters as well as to satisfy the independence test of a director, considering the candidate's character, integrity and professionalism.

The activities undertaken by the NC during the FYE 2024 were as follows:

- Reviewed and assessed the Audit Committee;
- Assessed the effectiveness of the Board and Board Committee; and
- Assessed and recommended on the re-election of Directors.

Review of the Audit Committee

Pursuant to Paragraph 15.20 of the MMLR, the NC has reviewed the terms of office of the AC and each of its members. The NC was satisfied that the AC and its members have carried out their duties in accordance with its terms of reference during the financial year under review.

An evaluation exercise was carried out by the NC on the AC to assess the effectiveness of each of the AC members, including the evaluation on the AC as a whole by assessing the individual AC members' skills and competencies, meeting administration and conduct, their contribution and interaction, quality of input and understanding of roles and responsibilities as an AC member.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board and Board Committee Assessment

The NC is responsible for carrying out Board effectiveness assessment, including the Board Committees and individual Director. The effectiveness of the Board is assessed in various areas, including of Board diversity, composition and governance, the quality of information and decision-making and boardroom activities. The effectiveness of the Board Committees is assessed in terms of composition and governance, meeting administration and conduct, skills and competencies together with roles and responsibilities.

The Directors' assessment is intended to assess their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board. The assessment examines Directors' ability to provide input during the meetings and demonstrate high level of integrity in decision making.

The Board and Board Committee assessment has been carried out by the NC on 8 October 2024 by answering and filling up the AC evaluation questionnaire, AC members' self and peer evaluation, Board members' self and peer evaluation form, Independent Directors' self-assessment checklist, Independent Directors' evaluation form, Board evaluation form, Board and Board Committee evaluation forms.

Re-election of Directors

In accordance with the Constitution of the Company, all directors shall retire from office once in every three (3) years but shall be eligible for re-election and one-third (1/3) of the directors shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM").

Based on the scheduled of rotation, the following Directors are subject to retirement by rotation pursuant to clause 90 of the Company's constitution at the forthcoming Twentieth AGM :

- i) Datuk Ir. Kamarudin Bin Md.Derom;
- ii) Dato' Tan Wei Neng; and
- iii) Tan Chung Ling

The above said Directors have offered themselves for re-election at the forthcoming Twentieth AGM. The NC has also taken into consideration the outcome of the Directors' self-assessment prior making recommendation to the Board of Directors who would be seeking for re-election of the AGM.

Newly appointed directors during the financial year shall hold office until the next following AGM and shall then be eligible for re-election. This requirement has been adhered to by the Board members in AGM.

The NC is responsible for recommending suitable candidates for appointment to the Board and those Directors who are eligible to stand for re-election.

Tenure of Independent Director

The retention of Independent Directors who have served a cumulative term of nine (9) years shall be subject to annual shareholders' approval in line with Practice 5.3 of the MCCG 2021. If the Board continues to retain the Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge towards the Group's operations gained throughout the years.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Tenure of Independent Director (Cont'd)

The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgment during Board deliberations and decision making.

As at the date of this Statement, none of the Independent Directors has served the Board for more than nine (9) years.

Remuneration Policies and Procedures

The objective of the RC is to recommend the remuneration framework of Executive Directors to the Board. The remunerations and entitlements of the Non-Executive Directors including the Non-Executive Chairman shall be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on their individual remuneration.

The RC had one (1) meeting during the FYE 2024. This meeting was attended by all members.

The RC comprises of two (2) Non-Executive Directors and one (1) Executive Director. The members of the RC are as follow:

Name	Designation	Directorship
Chan Foong Ping	Chairman	Independent Non-Executive Director
Tan Ah Bah @ Tan Ah Ping	Member	Managing Director
Datuk Ir. Kamarudin Bin Md Derom	Member	Independent Non-Executive Chairman

The RC adopts the principles recommended by the MCCG 2021 in determining the Directors' remuneration, whereby, the remuneration of the Executive Directors is designed to link rewards to the Group's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. The RC reviews the Board remuneration policy annually, considering various factors including the Non-Executive Directors' fiduciary duties, time commitments expected on the Non-Executive Directors and Board Committee members and the Company's performance as well as the market condition. The Directors' fees are subject to the approval of the shareholders of the Company at AGM.

The composition, authority as well as the duties and responsibilities of the RC are set out in its terms of reference which is available at the Company's website at www.stcgroup.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Policies and Procedures (Cont'd)

The number of Directors of the Company whose income falls within the following bands are set out as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM 1 to RM 50,000	-	-
RM 50,001 to RM 100,000	-	2
RM 100,001 to RM 150,000	-	1
RM 750,001 to RM 800,000	1	-
RM 800,001 to RM 850,000	1	-
RM 900,001 to RM 950,000	1	-
RM 2,000,001 to RM 2,050,000	1	-

The aggregate remuneration paid or payable to all Directors are further categorised into the following components:

Group	Fees* RM'000	Salaries & other emoluments RM'000	Employees share option scheme expenses RM'000	Benefits in kind RM'000	Total RM'000
Executive	11	4,529	-	52	4,592
Non-executive	279	9	-	-	288

Company	Fees* RM'000	Salaries & other emoluments RM'000	Employees share option scheme expenses RM'000	Benefits in kind RM'000	Total RM'000
Executive	-	1,496	-	33	1,529
Non-executive	279	9	-	-	288

* Subject to the approval of shareholders

The above disclosure includes the remuneration paid to Directors who had received his/her remuneration from his/her capacity as Executive Director or Director and/or manager of the subsidiaries of STC.

The details of Director fees for each of the Directors have been disclosed in accordance to Practice 8.1 of MCCG 2021. The Board is opined that it is not in the best interest of the Company to disclose the remuneration of directors in name basis according to the MCCG 2021 due to the sensitivity of their remuneration package and privacy.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration of Key Senior Management

The remuneration of Key Senior Management is based on the policies and procedures recommended by the RC. This is in line with Practice 7.2 of MCCG 2021.

Although MCCG 2021 provides that the Company should disclose the details remuneration of the top Key Senior Management on the named basis, the Board has opined that it is not in the best interest of the Company to make such disclosures on the remuneration of the Key Senior Management due to the sensitivity of their remuneration package, privacy, competition and issue of staff poaching.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC of the Company comprises exclusively Non-Executive Directors and majority all of whom are Independent Non-Executive Directors. The members of the AC are as follow:

Name	Designation	Directorship
Chan Foong Ping	Chairman	Independent Non-Executive Director
Dato' Yeoh Kim Wah	Member	Non-Independent Non-Executive Director
Datuk Ir. Kamarudin Bin Md Derom	Member	Independent Non-Executive Chairman

The AC Chairman is currently led by Ms Chan Foong Ping and she is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the AC are set out in its terms of reference and a copy is available on the Company's website at www.stcgroup.com.my.

The members of the AC possess a mix of skills, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the terms of reference of the AC. In addition, the AC members are literate in financials and are able to understand, analyse and challenge matters under purview of the AC including the financial reporting process.

The Board takes responsibility to present a true and fair view of the Group's and Company's financial performance and prospects to its shareholders. The Board is assisted by the AC to review and recommend the Group's and Company's financial reporting process, the quality of financial reporting and to ensure that the financial statements are fully complied and prepared in accordance with the provisions of the Companies Act 2016 as well as the application of the Malaysian Financial Reporting Standards and International Financial Reporting Standard.

Assessment of External Auditor

The Board, through the AC, maintains a formal and transparent relationship with the Group's external auditors in seeking valuable professional advice and ensuring compliance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board. The AC meets up with the external auditors at least twice a year to review audit plans and exchange views on issues that requiring attention. There is no any significant issue raised by the external auditor during the financial year under review.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Assessment of External Auditor (Cont'd)

The AC reviewed the external auditors' audit plan which outlining their scope of work and proposed fees for the statutory audit and review of the Statement of Risk Management and Internal Control. The AC further resolved to recommend the proposed fees to the Board for approval.

The AC carries out annual review on the performance of the external auditors, including assessment of their independence in performing their obligations, adequacy of experience and resources of the firm and the professional staff assigned to the audit. Based on the annual evaluation of their performance and audit fees, the AC was satisfied with the external auditors' technical competency and independence. Thus, the AC further recommended to the Board the re-appointment of the external auditors at the forthcoming AGM on 3 December 2024.

In assessing the independence of the external auditors, the AC is required to obtain a written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The external auditors have provided written assurance to the AC that is in accordance with the terms of all relevant professional and regulatory requirements, stating that they had been independent throughout the audit engagement.

Internal Auditor Function

The Board has an overall responsibility for maintaining a sound system of internal controls to safeguard the Group's assets and shareholders' investment. As the system of the internal controls is designed to mitigate rather than eliminate the likelihood of errors or fraud, the system can only provide reasonable assurance against material misstatement or loss.

The internal audit function is essential to assist the Board in obtaining the assurance of the system of internal controls maintained by the management.

To achieve this objective, the internal audit function was set up within the Company to provide independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes established by the management and/or the Board within the Group. The internal audit function is independent of the activities audited by them. The internal auditors review and assess the Group's system of internal controls and report to the AC.

The internal auditors adopt a risk-based approach in developing its audit plan to address the essential auditable areas of the Group based on their risk profiles. The audit focuses on high risk areas to ascertain the adequacy and effectiveness of internal controls. The results of the audit reviews, recommendations as well as management's responses and action plans were brought to the attention of AC at scheduled meetings. The management has to ensure that all recommended remedial actions were executed to rectify the highlighted shortcomings within a reasonable timeframe. Any other significant issues would also be highlighted by AC to the Board on a quarterly basis. The audit works for the internal audit function during the financial year under review was outsourced to RSM Corporate Consulting (Malaysia) Sdn. Bhd., an independent internal consultant.

The main function of internal audit is to conduct operational reviews on selected key business areas and processes of the Group.

The assignment undertaken by RSM Corporate Consulting (Malaysia) Sdn. Bhd. during the financial year is to conduct operational reviews on Warranty Management on Success Electronics & Transformer Manufacturer Sdn. Bhd.

The findings of the internal audit function were communicated to the Management for necessary corrective action and were followed up and reported to AC accordingly.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of the Group's business and corporate objectives.

The Board has an overall responsibility for the Group's system of internal controls and for reviewing its adequacy and integrity. There is an on-going process for the Board to identify, evaluate and manage significant risks faced by the Group on a regular basis for the financial year under review. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve the business objectives of the Group. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls incorporates, inter-alia, risk management, financial, operational and compliance controls as well as the governance process.

The Company has established a Risk Management and Sustainability Committee ("RMSC") which is tasked to develop and maintain an effective risk and sustainability management system for the Group. It reviews matters such as respond to significant risks that has been identified, changes to internal control system and output from monitoring processes. The RMSC will then report to the AC, which dedicates separate time for discussion of this subject. Significant issues related to risk and sustainability management and internal controls are highlighted to the AC and the Board. The RMSC conducts follow-up reviews on audit recommendations raised in previous audit reports to ensure the recommendations are implemented accordingly with the necessary corrective and preventive actions.

The RMSC comprises the following members:

Members	Designation
Tan Chung Ling	Chairlady
Lo Chiow Lieh	Chief Risk Officer
Low Shin Yi	Risk and Compliance Manager
Teh Ai Kim	Secretary
Dato' Tan Wei Neng	Steering Committee
Tan Chung Chiah	Steering Committee
Tan Chung Chay	Steering Committee
Chang Poay Hee	Steering Committee
Lim Wei Yuen	Steering Committee
Quak Lee Kiang	Steering Committee
Wong Kiet Fei	Steering Committee

The details of the risk management framework are disclosed in the Statement on Risk Management and Internal Control of this Annual Report on page 63-66.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board is comply with the disclosure requirements set out in the MMLR, and setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders. The Company is ensure to timely release its announcements to the relevant regulators, Board Charter, rights of the shareholders and Annual Report on the Company's website.

The Board promotes effective communication and proactive engagements with its stakeholders. As a result, various contact details can be found on the Company's website to address queries from customers, shareholders and other stakeholders.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Communication with Stakeholders (Cont'd)

The Board values dialogue with investors as a means of effective communication that enables the Board and management to convey information about the STC Group's performance, corporate directions and other matters affecting shareholders' interests. Such information is disseminated through various disclosures and announcements made to the Bursa Securities covering quarterly financial results, audited financial statements and annual reports. This information is accessible by the public through Bursa Securities' website at www.bursamalaysia.com. and is also available for download at the Company's website at www.stcgroup.com.my.

Conduct of General Meetings

The Company's AGM continues to serve as a principal forum for dialogue and interaction with shareholders. The Notice of AGM is available to the shareholders at least twenty-eight (28) days prior to the AGM to enable shareholders to consider the resolutions that will be discussed and decided at the AGM. Proposed resolutions for special business is included in the notice of AGM and will be accompanied by an explanatory statement to facilitate shareholders' understanding and evaluation of issues involved. The Notice of AGM which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.

All Directors, Key Senior Management and the External Auditors will attend the general meetings. During the general meetings, shareholders are encouraged to participate in discussions and will be given sufficient time by the Board to raise questions pertaining to the Annual Report, resolutions being proposed and the performance of the Company or the Group prior to seek approval from members and proxies on the resolutions. All Directors and the chair of every Board Committees, as well as Key Senior Management, where appropriate will provide feedbacks, answers and clarifications to the queries raised by the shareholders during the general meeting.

Pursuant to Paragraph 8.29A of the MMLR, a public listed company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. The Company had conducted its voting on all resolutions at the 19th AGM held on 5 December 2023 by polling in line with the requirement of the MMLR. An independent scrutineer was also appointed to scrutinise the polling process.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of proxy votes received, both for and against for each separate resolution where appropriate. The outcome of the AGM will be announced to Bursa Securities on the same meeting day. The proceedings of the AGM were recorded in the minutes of the meeting and made available on the Company's website not later than 30 business days after the meeting.

The forthcoming 20th AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPV") facilities. Shareholders who register for remote participants for the forthcoming AGM will be able to submit their questions during the AGM. Shareholders are encouraged to use the RPV to participate and vote remotely at the forthcoming AGM.

COMPLIANCE STATEMENT

Save as disclosed above and in the CG Report, the Board is satisfied that throughout the FYE 2024, the Company has applied the principles and recommendations of the corporate governance set out in the MCCG 2021, where necessary and appropriate.

This CG Statement was approved by the Board on 8 October 2024.



AUDIT COMMITTEE REPORT

1. COMPOSITION OF AUDIT COMMITTEE

Chairperson

Chan Foong Ping

(Independent Non-Executive Director)

Members

Datuk Ir. Kamarudin Bin Md Derom

(Independent Non-Executive Chairman)

Dato' Yeoh Kim Wah

(Non-Independent Non-Executive Director)

The Audit Committee ("AC") of Success Transformer Corporation Berhad ("STC" or "Company") comprises three (3) members, all of whom are Non-Executive Directors with a majority of them being Independent Directors, including the AC Chairman and none of them are alternate Directors. This meets the requirement of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR"). Should there be a vacancy in the AC resulting in the non-compliance of Paragraphs 15.09(1) and 15.10 of the MMLR, the Company must fill up the vacancy within three (3) months thereof.

The Chairperson of the AC, Madam Chan Foong Ping, is a member of the Malaysian Institute of Accountants. In this respect, the Company complies with Paragraph 15.09(1)(c) of the MMLR.

2. TERMS OF REFERENCE

The terms of reference ("TOR") of the AC is available for download on the Company's website at www.stcgroup.com.my.

3. FREQUENCY OF MEETINGS

Meetings shall be conducted not less than four (4) times annually. In order to form quorum for the meeting, the majority of the members' present must be independent directors. Other meetings may be held as and when required. However, the AC should meet with the external auditors without the presence of the executive directors, at least twice a year.

4. AC MEETING ATTENDANCE

The AC had conducted five (5) meetings for the financial year ended 30 June 2024 ("FYE 2024") and were duly attended by the members as shown below:

Name of Directors	No. of Meetings Attended
Chan Foong Ping	5/5
Datuk Ir. Kamarudin Bin Md Derom	5/5
Dato' Yeoh Kim Wah	5/5



AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF WORK

During the FYE 2024 and up to the date of this AC Report, the AC had carried out the following activities:

Activities with regards to External Audit:

- Reviewed the audited financial statements and comments from external auditors in relation to audit and accounting issues arising from the audit process;
- Reviewed and endorsed the audit plan and strategy for the FYE 2024 to ensure that their scope of work adequately covers the activities of STC and its subsidiaries (collectively referred as "Group");
- Reviewed the Statement of Risk Management and Internal Control with external auditors for the purpose of inclusion in the Company's Annual Report;
- Assessed and considered the suitability and independence of the external auditors by assessing, among others, the adequacy of their technical expertise, experience, skills, independence and objectivity as well as their audit fees and quality of communication, obtaining affirmation from the external auditors, Messrs Crowe Malaysia PLT, that they and their network firms, engagement partner and audit team's independence, integrity and objectivity comply with the relevant ethical requirements;
- Considered the nomination of external auditors for recommendation to the Board of Directors of STC ("Board") for re-appointment after assessing their capabilities as well as the effectiveness of the external audit process; and
- Convened meetings with external auditors to provide additional comments to the AC without the presence of Executive Directors and Senior Management team.

Activities with regards to Internal Audit:

- Reviewed and approved the internal audit assignment to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks;
- Discussed and recommended the internal audit reports (together with the recommendations and responses from the Management tabled by the internal auditors for the Board's notation;
- Discussed and reviewed the annual internal audit assignment for FYE 2024 tabled by the internal auditors for the Board's notation;
- Assessed and reviewed the adequacy of resources and independency of the internal audit function;
- Reviewed the performance and competency of the internal audit function;
- Reviewed the recurrent related party transactions and control procedures for such transactions in the shareholder mandate; and
- Convened meeting with internal auditors and the Board.



AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF WORK (CONT'D)

During the FYE 2024 and up to the date of this AC Report, the AC had carried out the following activities: (Cont'd)

Activities with regards to Financial Statement:

- Reviewed the quarterly financial results of the Group and announcements before recommending the same to the Board for consideration and/or approval prior to the release to Bursa Securities;
- Reviewed the annual audited financial statements of the Company and the Group for the FYE 2024, together with the external auditors, before recommending the same to the Board for approval;
- Reviewed the annual budgeting of the Group for the FYE 2024 and recommend to the Board for approval;
- Reviewed the Company's and the Group's compliance with the MMLR, Malaysia Financial Reporting Standards and other relevant legal and regulatory requirements; and
- Reviewed the impact of changes in accounting policies and adoption of new accounting standards, together with significant matters highlighted in the financial statements.

Activities with regards to Internal Control and Risk and Sustainability Management:

- Reviewed and monitored principal risks which may affect the Group directly or indirectly, and if deemed necessary, recommend additional course(s) of action to mitigate such risks;
- Monitored and communicated the risk assessment results to the Board;
- Assessed the actual and potential impact of any failure or weakness of the internal controls in place;
- Facilitated the establishment of the risk management framework and reviewed adequacy and effectiveness thereof from time to time;
- Reviewed and discussed sustainability matters related to material matters with Risk Management and Sustainability Committee and reports to the Board;
- Monitored the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring, and reporting of the Group's material economic, environmental, social and governance;
- Reviewed the implementation of the Group's sustainability-related strategies and initiatives; and
- Assisted the Board pertaining to disclosures in the Sustainability Statement for inclusion in the Company's Annual Report.



AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF WORK (CONT'D)

During the FYE 2024 and up to the date of this AC Report, the AC had carried out the following activities: (Cont'd)

Other Activities:

- Reviewed the Corporate Governance Overview Statement, Corporate Governance Report and AC Report and recommended to the Board for adoption;
- Reviewed TOR of the AC periodically and recommended to the Board on revision, if necessary;
- Received the report for ESOS status on a quarterly basis;
- Reviewed on the related party transaction and conflict of interest situation that may arise, persist or arise within the Company or the Group including any transaction, procedure or code of conduct that may raise concern or question of the Management's integrity; and
- Discussed summary of assessment on the performance and effectiveness of the AC and its members by the Nominating Committee.

6. INTERNAL AUDIT FUNCTION

The internal audit function is essential to assist the Board in obtaining the assurance of the system of internal control maintained by the management.

To achieve this objective, internal audit function was set up within the Company to provide independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes established by the management and/or the Board within the Group. The internal audit function is independent of the activities audited by them. The internal audit function consists of one (1) independent associate.

The internal audit function adopts a risk-based approach in developing its audit plan to address the essential auditable areas of the Group based on their risk profiles. The audit focuses on high risk areas to ensure that an adequate action plan is in place to enhance the internal controls. The results of the audit reviews, recommendations as well as Management's responses and action plans were brought to the attention of AC at scheduled meetings. The Management must ensure that all recommended remedial actions were executed to rectify the highlighted shortcomings within a reasonable time frame. Any other significant issues would also be highlighted by AC to the Board on a quarterly basis.

There is an internal audit assignment on warranty management of Success Electronics & Transformer Manufacturer Sdn. Bhd. undertaken by outsourced independent internal control consultant, namely RSM Corporate Consulting (Malaysia) Sdn. Bhd. during the financial year under review.

The findings of the internal audit function were communicated to the Management for the necessary corrective action and being followed up and reported to AC accordingly.

This AC Report was approved by the Board on 8 October 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Success Transformer Corporation Berhad ("**STC**" or "**Company**") ("**Board**") has the pleasure to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries (collectively referred as "Group") pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"). This Statement on Risk Management and Internal Control provides an overview of the nature and scope of risk management and internal control of the Group during the financial year under review.

BOARD RESPONSIBILITY

The Board recognises the importance of maintaining a sound risk management and internal control systems to ensure the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, regulations, policies, procedures and contracts. Hence, the Board also obtains assurance from the Executive Directors and the Management affirms its overall responsibilities for the Group's risk management and internal control systems. The oversight of these critical areas is carried out by the Audit Committee ("**AC**") and Risk Management and Sustainability Committee ("**RMSC**") which are empowered by their respective terms of reference to provide oversight and perform regular reviews on the risk management and internal control systems to meet the Group's objectives and for continuous improvement thereof.

The Board acknowledges the limitations that are inherent in any risk management and internal control systems. As such the systems are designed to manage and minimise the extent and severity of the risks, rather than completely eliminate the risks of failure of achieving the Group's objectives and strategies. Consequently, the Board recognises that a sound internal control system provides reasonable but not absolute assurance that the Group will not be hindered in achieving its business objectives in the ordinary course of business. The Board reviews the system of risk management and internal control according to the guidelines for directors on internal control, the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers.

This Statement on Risk Management and Internal Control has not dealt with the associate and joint venture entities as the Company does not have full management over them. However, the Group's interest is served through representations on the Board of the associate and joint venture entities.

THE SYSTEM OF INTERNAL CONTROL

Internal controls are regarded as an integral part of the Group's business management processes. The principal elements of the Group's internal control systems are summarised as follows:

1. A documented hierarchical organisation structure defining the clear line of management responsibility, authority and appropriate reporting structure in order to enhance the internal control system of the Group's various operations. The organisation structure enables each department to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness;
2. Internal policies, procedures and manuals are updated from time to time to ensure that it maintains its effectiveness and continues to support the Group's business activities at all times as the Group continues to grow. These policies, procedures and manual are further strengthened with the implementation of ISO9001:2015 Quality Management System which covers the major operating subsidiaries of the Company;
3. Financial results and management information are provided to the AC and the Board on a quarterly basis for review. These reviews help the AC and the Board to complement its understanding on the risk management of the Group;



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

THE SYSTEM OF INTERNAL CONTROL (CONT'D)

Internal controls are regarded as an integral part of the Group's business management processes. The principal elements of the Group's internal control systems are summarised as follows: (Cont'd)

4. An annual budgeting process where key performance indicators for each business units are set. The said key performance indicators will be reviewed by the Board and AC. Performance is monitored regularly and there is also a reporting system highlighting the variances between actual performance for each business units against the targeted performance for each business units. The variances will be tabled to each business units and the matters highlighted will be followed up by the respective head of business units;
5. Management and operational meetings are held to monitor, review and resolve key operational matters such as corporate, financial and legal matters, as well as changes in the business environments. These meetings are led by Executive Directors and attended by the Management;
6. Significant matters that discussed at the management meetings are brought to the Board meetings for further deliberation and review by the Board members;
7. Scheduled meetings such as Sales, Marketing and Operational meetings to review sales performance, formulate sales strategies, update on market information and operating related discussion are held on monthly basis and the production meetings for operation related discussion are held on daily basis; and
8. Recruitment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Comprehensive and rigorous guidelines on employment, performance appraisal, training and retention of employees are in place to ensure that employees of the Group are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively. Trainings and development programs are provided as part of the management succession plan for selected staff to further enhance their skills and capabilities.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management processes as an integral part of the business operations. The Board acknowledges its responsibility to put in place an on-going process for identifying, evaluating and managing the significant risks faced by the Group.

The Group's risk management initiative includes delegating the responsibilities of identifying and managing risk to the respective head of business units. The Group also set-up an operation level of the RMSC, which comprises of the Executive Directors and Management of the Company, to discuss and evaluate significant risks identified and the corresponding internal controls implemented by the head of each business units. Also, there are formalised processes for the identification, assessment, communication, and monitoring as well as continual review of risks and effectiveness of risk mitigation strategies. The RMSC will report to the AC periodically whether those significant risks identified are properly monitored, managed, and mitigated to an acceptable level.

Within the framework, there is an established and structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls at the Management and Board levels.

Up to the date of this Statement on Risk Management and Internal Control, the RMSC had met once during the financial year ended 30 June 2024 ("FYE 2024") where key principal risks faced by the Group and the proposed action plans to mitigate the risks identified were discussed and presented to the AC accordingly.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The management of the significant risks identified for FYE 2024 are outlined below:

Competition Risk

The market is currently flooded with competitors selling similar products, coupled with the sluggish economy and soft spending power of businesses, the competition risk has been rising in recent years. Therefore, the Group has identified various strategies:

- To stay relevant in a competitive environment by innovating new products;
- To produce high quality yet affordable products with quick turnaround time; and
- To seize new opportunities by leveraging on our strengths and infrastructure.

Credit Risk

Credit risk arises from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flows and funding. The Group minimises such exposures by assessing the creditworthiness of potential customers, close monitoring of collections and overdue debts, and effective credit utilisation to keep leverage at a comfortable level.

Foreign Currency Exchange Risk

The Group is exposed to foreign exchange fluctuations directly as the cost of raw materials and imported goods are denominated in foreign currencies. As such, the foreign exchange fluctuations may have material effects to the costing of our products.

For imported goods, foreign currency exchange risk is partially managed through a natural hedge between revenue and purchases in the same currencies. Management has started hedging the remaining un-hedged portion to mitigate currency risk on cash flow earnings. In addition, the Group has included the usage of Renminbi ("RMB") as one of its main international payment currency to reduce the foreign currency exchange risk by importers from China.

Operational Risk

Operational risk arises from the execution of a company's business including risks of systems, equipment failure and over or lack of capacity situations. The Group adheres to policies, procedures, quality controls and best practices to ensure that all systems and equipment are functional. To manage overcapacity issues, the Group constantly reviews its business plans and seeks alternative uses for excess capacity.

As part of our mitigation efforts, we have taken up insurance policies to provide adequate coverage against the risk of fire, burglary and personal accidents for our workers.

Cybersecurity Risk

In today's world, we are more dependent than ever on digital connectivity in virtually every aspect of their existence and resulted an increase on cyber threats towards the Group's network infrastructure. The risk of data loss is a crucial part of cybersecurity facing now. As an essential for safeguarding against data loss, the Management Information System department has used Data Loss Prevention systems to keep a close watch on any possible security breaches and to protect valuable information.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Group's risk management and internal control review are undertaken by the internal audit function within the Group. The internal audit function reports directly to the AC. The process is in place for the financial year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

The resulting reports from the reviews undertaken are presented to the AC at its regular meetings for review, discussion and direct actions on matters pertaining to reports, which include among others, findings relating to the adequacy and effectiveness of the internal control systems of the Group. After the AC had deliberated on the reports, these are then forwarded to the operational management for attention and necessary actions. The operational management is responsible in ensuring the corrective actions recommended on the report has been implemented within the required time frame.

INTERNAL AUDIT FUNCTION

The Group has an in-house internal audit function that is independent and has no involvement in the operations of the Group. It was set up within the Group to assist the Board in obtaining the assurance of the system of internal control maintained by the Management. The internal audit function report directly to the AC in providing assurances that the internal control system of the business units are effective and adequate.

The internal audit adopts a risk-based approach and has outsourced its internal audit in assignment basis. During the FYE 2024, the Board has approved to outsource part of its internal audit review to RSM Corporate Consulting (Malaysia) Sdn. Bhd. to conduct an internal audit review on warranty management of Success Electronics & Transformer Manufacturer Sdn. Bhd. in renew and the internal audit report was presented to the AC. The total cost of internal audit function for the FYE 2024 was RM 166,968.

ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND GROUP FINANCE CONTROLLER

The Board has received assurance from the Managing Director and Group Finance Controller that the Group's risk management and internal control systems are adequate and operating effectively, in all material aspects, to meet the Group's business objectives during the financial year under review.

The Managing Director also reports to the Board on significant changes in the business and the external environment which affects the operations, financial information, key performance and risk indicators are also reported on a quarterly basis to the Board.

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

In accordance with the Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control and reported that nothing has come to their attention that causes them to believe that contents of this Statement on Risk Management and Internal Control intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board considers that the risk management framework is adequate, but will still be subject to continuous improvement, taking into consideration better practices and the changing business environment, where appropriate. The Board is committed to maintain a sound system of internal control and will strive for continuous improvement where necessary, to further enhance the Group's system of internal control.

This Statement was approved by the Board on 8 October 2024.



OTHER COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors by the Company and its subsidiaries ("**Group**") for the financial year ended 30 June 2024 ("**FYE 2024**") are as follows:

	Group (RM)	Company (RM)
Audit Fees:		
– current financial year	369,472	100,000
– underprovision in prior year	4,045	-
Non-Audit Fees	14,749	5,000
	388,266	105,000

2. MATERIAL CONTRACTS

Other than the related party transactions as disclosed in Note 40 of the financial statements, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, chief executive officer and substantial shareholders, either still subsisting at the end of the FYE 2024 or entered into since the end of the previous financial year.

3. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

Employees' Share Option Scheme ("ESOS")

During the FYE 2024, the Company has issued a total number of 565,600 ordinary shares in the Company under the ESOS for a total cash consideration of RM305,423. The proceeds arising from the exercise of the ESOS options were utilised for working capital purposes.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 19th Annual General Meeting of the Company held on 5 December 2023, the Company had obtained a mandate from its shareholders to allow the Group to enter into recurrent related party transactions ("**RRPT**") of a revenue or trading nature with related parties ("**Shareholders' Mandate**").



OTHER COMPLIANCE INFORMATION (CONT'D)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

In compliance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details and aggregate value of the RRPT entered into between the Group with the related parties during the FYE 2024 pursuant to the Shareholders' Mandate were as follows: -

No	Companies in the Group	Related Party	Nature of the transactions	Actual value transacted up during the FYE 30 June 2024 RM	Interested Director(s)/ Major Shareholders and/or Person(s) Connected
1.	Ningbo Success Zhenye Luminaire Limited Liabilities Company ("NSZ")	Zhenyu Electric Factory Co. Ltd (" Zhenyu ")	Purchase of light, hardware and electrical parts, mould and other raw materials from Zhenyu by NSZ, for the use of manufacturing of industrial lights fittings products and processing fee charged by Zhenyu to NSZ.	555,993	Gu Zhen Wu ⁽ⁱ⁾ Zhou Jie Di ⁽ⁱ⁾
2.	NSZ	Ningbo Ruitao New Material Technology Limited Company (" Ruitao ")	Purchase of aluminium ingot from Ruitao by NSZ, for the use of manufacturing of industrial lights fittings products.	12,822,165	Gu Zhen Wu ⁽ⁱⁱ⁾
3.	NSZ	Ningbo MDG New Energy Technology Co., Ltd (" MDG ")	Purchase of electrical and electronic parts from MDG by NSZ, for the use of manufacturing of industrial lights fittings products.	164,512	Gu Zhen Wu ⁽ⁱ⁾ Zhou Jie Di ⁽ⁱ⁾
4.	Success Transformer Marketing Sdn Bhd (" STMKT ")	Eco Jaya Elektrik Sdn.Bhd. (" Eco ")	Sales of all types of products, which are produced by the STC Group, and supplementary trading products such as lamp and fittings, electrical apparatus from STMKT to Eco.	1,181,561	Dato' Yeoh Kim Wah ⁽ⁱⁱⁱ⁾

Nature of the Relationships

⁽ⁱ⁾ Gu Zhen Wu and Zhou Jie Di are directors of NSZ and have indirect shareholdings of 40% in NSZ via their direct shareholdings in Ninghai Zhenye Luminaries Manufacturing Co. Ltd ("**Zhenye**"). They are the close family members to the shareholders of Zhenyu and MDG.

⁽ⁱⁱ⁾ Gu Zhen Wu is the director of NSZ and has indirect shareholdings of 40% in NSZ via his direct shareholdings in Zhenye. He is also a shareholder of Ruitao with direct shareholdings of 40%.

⁽ⁱⁱⁱ⁾ Dato'Yeoh Kim Wah is the Non-Independent Non-Executive Director of STC with direct shareholdings of 0.50% in STC, and also the director of Eco with direct shareholdings of 38% in Eco as at FYE 2024.



OTHER COMPLIANCE INFORMATION (CONT'D)

5. ESOS

The ESOS which was approved by the shareholders at the Extraordinary General Meeting held on 2 July 2018 and governed by the ESOS By-Laws, is the only share option scheme during the financial year. The ESOS would be in force for a period of five (5) years commencing from the date of implementation on 3 July 2018. 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.

The total number of ESOS options granted, exercised or vested and outstanding since its commencement up to 30 June 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
Unexercised options lapse due to staff resigned as at FYE 30 June 2022 *	(1,030,500)	-
Options re-offered and accepted during the FYE 30 June 2022 ^	1,143,200	35,900
Total number of options exercised as at 30 June 2024	(4,411,400)	(69,800)
Total number of options outstanding as at 30 June 2024	2,472,500	198,800

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 percentage of ESOS options applicable to Directors and Senior Management under the ESOS are as follows:

Director and Senior Management	During the financial year (%)	Since commencement up to 30 June 2024
(a) Aggregate maximum allocation	50.00%	50.00%
(b) Actual granted	-	15.01%

No ESOS options were granted to the Non-Executive Directors.



DIRECTORS' RESPONSIBILITY STATEMENT FOR THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year, as well as the financial performance and cash flows of the Group and of the Company for the financial year ended. In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- a) adopted the appropriate and relevant accounting policies that are consistently applied;
- b) made judgement and estimation that are reasonable and prudent; and
- c) ensured that applicable approved accounting standards in Malaysia and the provision of the Act are complied with.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose with the reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act as well as the applicable approved accounting standards in Malaysia. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities. The Directors confirmed that they have complied with the above requirements for the audited financial statements for the financial year ended 30 June 2024.

The Directors' Responsibility Statement for the annual audited financial statements is approved by the Board on 8 October 2024.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 7(a) to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	22,300,349	5,338,949
Attributable to:-		
Owners of the Company	22,054,009	5,338,949
Non-controlling interests	246,340	-
	<u>22,300,349</u>	<u>5,338,949</u>

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2023 are as follows:-

- (i) an interim tax-exempt single-tier dividend of RM0.014 per ordinary share amounting to RM3,212,811; and
- (ii) a share dividend on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in the Company, amounting to RM3,892,316

in respect of the financial year ended 30 June 2024 was declared on 10 October 2023, and paid and credited into the depositors' securities accounts on 28 November 2023 respectively to the shareholders whose names appeared in the Company's Record of Depositors on 30 October 2023.

The directors do not recommend any final dividend in respect of the financial year ended 30 June 2024.

On 16 July 2024, the Company declared a special tax-exempt single-tier dividend of RM0.015 per ordinary share in respect of the financial year ending 30 June 2025, subsequently paid on 21 August 2024 to the shareholders whose names appeared in the Company's Record of Depositors on 1 August 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.



DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM73,943,285 to RM74,364,275 by way of:-
 - (i) issuance of 565,600 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise prices of RM 0.54 which amounted to RM420,990.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company distributed a total number of 5,736,649 treasury shares to its shareholders as share dividend on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in the Company.

As at 30 June 2024, the Company held as treasury shares a total of 17,212,605 of its 252,909,600 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM11,678,454. The details of the treasury shares are disclosed in Note 24 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employees' Share Option Scheme below.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 2 July 2018. The ESOS is to be in force for a period of 5 years effective from 3 July 2018.

On 23 May 2023, the Board of Directors of the Company approved the extension of the duration of the ESOS for an extended period of 5 years from 3 July 2023 to 2 July 2028.

The details of the ESOS are disclosed in Note 25(c) to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.



DIRECTORS' REPORT (CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 32 and 33 to the financial statements respectively.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Company is a subsidiary of Omega Attraction Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Ah Bah @ Tan Ah Ping
Tan Chung Ling
Chan Foong Ping
Datuk Ir. Kamarudin Bin Md Derom
Dato' Yeoh Kim Wah
Dato' Tan Wei Neng
Tan Chung Chay
Tan Chung Chiah (*Alternate director to Tan Ah Bah @ Tan Ah Ping*)



DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Andrea Toppan
 Chang Chan Wai
 Chang Kam Kuan
 Chang Poay Hee
 Gu Yulong
 Gu, ZhenWu
 Lim Chia Nguan
 Miswan Bin Kamid
 Muhamad Wizan Bin Sulaiman
 Ong Ngok Chong
 Pan Kim Foon
 Paolo Toppan
 Samsul Baharin Bin Bidin
 See Boon Chun
 Tan Kong Chian
 Tong Ming Fui
 Tong Ming Jun
 Zhou Jie Di

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares or options over unissued shares of the Company and its related corporations during the financial year are as follows:-

		← Number of Ordinary Shares →			
		At 01.07.2023	Bought/Share Dividend *	Sold	At 30.06.2024
The Company					
Tan Ah Bah @ Tan Ah Ping	- Direct	209,300	5,232	-	214,532
	- Indirect ⁽¹⁾	105,587,448	2,639,685	-	108,227,133
Tan Chung Ling	- Direct	154,980	3,874	-	158,854
Dato' Yeoh Kim Wah	- Direct	1,292,100	32,302	(150,000)	1,174,402
Dato' Tan Wei Neng	- Direct	90,200	2,255	-	92,455
	- Indirect ⁽²⁾	69,100	1,727	(20,000)	50,827
Tan Chung Chiah	- Direct	3,089,900	4,055,887	-	7,145,787

* Receipt of ordinary shares pursuant to the distribution of share dividend on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in the Company in respect of the financial year ended 30 June 2024.

		← Number of Options under ESOS →			
		At 01.07.2023	Granted	Exercised	At 30.06.2024
Dato' Tan Wei Neng		198,800	-	-	198,800



DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Holding Company – Omega Attraction Sdn. Bhd. (“OASB”)

	Number of Ordinary Shares			
	At 01.07.2023	Bought	Sold	At 30.06.2024
Tan Ah Bah @ Tan Ah Ping – Direct	51,000	-	-	51,000

Notes:

⁽¹⁾ Deemed interest through OASB pursuant to Section 8(4) of the Companies Act 2016 and by virtue of his spouse, Pan Kim Foon's direct interest in the Company.

⁽²⁾ Deemed interest by virtue of his spouse, Datin' Chew Yoke Ying's direct interest in the Company.

By virtue of his shareholdings in OASB and his spouse's shareholdings in the Company, Tan Ah Bah @ Tan Ah Ping is deemed to have interests in shares of the Company and its related corporations during the financial year to the extent that OASB has an interest, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares or options over unissued shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 40 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain directors pursuant to the ESOS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	290,196	279,363
Salaries, bonuses and other benefits	4,219,999	1,390,917
Defined contribution plan	318,000	113,712
	<u>4,828,195</u>	<u>1,783,992</u>

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM 52,067 and RM 33,850 respectively.



DIRECTORS' REPORT (CONT'D)

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM5,000,000 and RM9,326 respectively. No indemnity was given to or insurance effected for the auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification other than those disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	369,472	100,000
Non-audit fees	14,749	5,000
	<hr/>	<hr/>
	384,221	105,000

Signed in accordance with a resolution of the directors dated 8 October 2024.

Tan Ah Bah @ Tan Ah Ping

Tan Chung Ling



STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Ah Bah @ Tan Ah Ping and Tan Chung Ling, being two of the directors of Success Transformer Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 83 to 162 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 8 October 2024.

Tan Ah Bah @ Tan Ah Ping

Tan Chung Ling

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lo Chiow Lieh, being the officer primarily responsible for the financial management of Success Transformer Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 162 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lo Chiow Lieh, NRIC Number: 800511-04-5151
at Kuala Lumpur in the Federal Territory
on this 8 October 2024

Lo Chiow Lieh
MIA 32657
Chartered Accountant

Before me

Gunasundry a/p Suppaiah (W 923)
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUCCESS TRANSFORMER CORPORATION BERHAD REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Success Transformer Corporation Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 83 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF SUCCESS TRANSFORMER CORPORATION BERHAD

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Inventories

Refer to Note 16 in the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>The Group held significant inventories with carrying amount of RM 100,848,741 as at 30 June 2024.</p> <p>The carrying value of inventories is stated at the lower of cost and net realisable value.</p> <p>We have considered carrying value of inventories as a key area of our audit as management periodically reviews the inventories for potential write-down by considering their aging profile, conditions and net realisable value. These reviews involved judgements and estimations uncertainty in forming expectations about future consumptions, sales and demands.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Compared the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down. • Performed test on the inventory ageing report to ensure inventories were grouped into the appropriate age bracket. • Reviewed the accuracy of the write-down of inventories by matching the quantum of write-down to the corresponding age profile of inventories according to the group policy. • Reviewed and challenged the basis of inventory write-down policy. • Sighted the condition of inventories during observation of physical stock count.

Recoverability of Trade Receivables

Refer to Note 17 in the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matters
<p>We focused on this area because the Group carries significant trade receivables balances of RM 65,552,804 as at 30 June 2024.</p> <p>Management recognised the allowance for impairment losses on trade receivables based on specific known facts or customers' ability to pay. We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Tested the reliability and accuracy of ageing report. • Evaluated the sufficiency and reasonableness of impairment provided by the management. • Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collections. • Reviewed collections received subsequent to the period. • Reviewed the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF SUCCESS TRANSFORMER CORPORATION BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF SUCCESS TRANSFORMER CORPORATION BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-
(Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Goh Siow Yen
03557/03/2025 J
Chartered Accountant

Muar, Johor Darul Takzim
Date: 8 October 2024



STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	7	-	-	90,997,266	92,776,535
Investment in associates	8	282,446	320,646	-	-
Property, plant and equipment	9	89,196,504	97,463,197	-	-
Intangible asset	10	-	-	-	-
Investment properties	11	40,209,112	40,447,775	-	-
Right-of-use assets	12	4,772,917	6,899,698	-	-
Trade receivable	17	1,393,308	2,153,316	-	-
Amount due from a related party	13	1,813,755	1,995,211	-	-
Other investments	14	10,376,000	-	-	-
Deferred tax assets	15	191,599	262,467	-	-
		148,235,641	149,542,310	90,997,266	92,776,535
CURRENT ASSETS					
Inventories	16	100,848,741	96,665,551	-	-
Trade receivables	17	64,159,496	69,184,681	-	-
Other receivables, deposits and prepayments	18	10,961,527	7,700,314	1,000	1,000
Contract assets	19	49,566	342,329	-	-
Amount due from subsidiaries	20	-	-	8,497,999	6,175,803
Amount due from associates	21	146,314	694,312	-	-
Amount due from related parties	13	211,408	226,560	-	-
Other investments	14	102,185,268	76,462,045	-	-
Current tax assets		2,423,897	7,103,053	25,272	346,950
Dividend receivable		-	-	1,753,920	-
Fixed deposits with licensed banks	22	17,943	354,438	-	-
Cash and bank balances		27,201,174	38,173,291	510,722	489,197
		308,205,334	296,906,574	10,788,913	7,012,950
TOTAL ASSETS		456,440,975	446,448,884	101,786,179	99,789,485

The annexed notes form an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION (CONT'D) AS AT 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	74,364,275	73,943,285	74,364,275	73,943,285
Treasury shares	24	(11,678,454)	(15,570,770)	(11,678,454)	(15,570,770)
Reserves	25	318,860,348	304,048,529	19,035,244	20,916,989
Equity attributable to owners of the Company		381,546,169	362,421,044	81,721,065	79,289,504
Non-controlling interests	7(d)	28,125,050	29,481,090	-	-
TOTAL EQUITY		409,671,219	391,902,134	81,721,065	79,289,504
NON-CURRENT LIABILITIES					
Lease liabilities	26	1,148	294,178	-	-
Borrowings	27	10,675,861	14,898,287	-	-
Other payable	29	758,388	714,517	758,388	714,517
Deferred tax liabilities	15	2,056,403	2,949,411	-	-
		13,491,800	18,856,393	758,388	714,517
CURRENT LIABILITIES					
Trade payables	28	12,964,604	16,899,257	-	-
Other payables and accruals	29	17,557,554	15,107,463	142,470	148,013
Amount due to subsidiaries	20	-	-	19,164,256	19,637,451
Amount due to related parties	13	147,862	169,052	-	-
Lease liabilities	26	142,342	1,868,646	-	-
Borrowings	27	2,350,085	1,530,031	-	-
Current tax liabilities		115,509	115,908	-	-
		33,277,956	35,690,357	19,306,726	19,785,464
TOTAL LIABILITIES		46,769,756	54,546,750	20,065,114	20,499,981
TOTAL EQUITY AND LIABILITIES		456,440,975	446,448,884	101,786,179	99,789,485

The annexed notes form an integral part of these financial statements.



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	30	231,509,574	235,974,472	10,363,987	11,269,297
COST OF SALES		(162,808,674)	(163,357,517)	-	-
GROSS PROFIT		68,700,900	72,616,955	10,363,987	11,269,297
OTHER INCOME		18,002,861	8,812,022	653	63,000
SELLING AND DISTRIBUTION EXPENSES		(17,878,288)	(16,796,749)	-	-
ADMINISTRATIVE EXPENSES		(36,312,247)	(34,163,416)	(3,007,671)	(2,897,171)
OTHER EXPENSES		(3,022,287)	(1,639,683)	(1,779,269)	(2,371,016)
PROFIT FROM OPERATIONS		29,490,939	28,829,129	5,577,700	6,064,110
FINANCE COSTS	31	(878,663)	(854,218)	(43,871)	(44,288)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	32	(197,244)	(516,420)	-	-
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATES, NET OF TAX		(42,003)	(100,160)	-	-
PROFIT BEFORE TAX	33	28,373,029	27,358,331	5,533,829	6,019,822
TAX EXPENSE	36	(6,072,680)	(6,407,261)	(194,880)	(193,650)
PROFIT AFTER TAX		22,300,349	20,951,070	5,338,949	5,826,172
OTHER COMPREHENSIVE INCOME					
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		245,283	(3,486,297)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		22,545,632	17,464,773	5,338,949	5,826,172

The annexed notes form an integral part of these financial statements.



**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
PROFIT AFTER TAX					
ATTRIBUTABLE TO:-					
Owners of the Company		22,054,009	19,780,090	5,338,949	5,826,172
Non-controlling interests		246,340	1,170,980	-	-
		22,300,349	20,951,070	5,338,949	5,826,172
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		22,032,513	17,585,742	5,338,949	5,826,172
Non-controlling interests		513,119	(120,969)	-	-
		22,545,632	17,464,773	5,338,949	5,826,172
EARNINGS PER ORDINARY SHARE (SEN)					
- Basic	37	9.45	8.63		
- Diluted	37	9.42	8.60		

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Group	Note	← Non-Distributable				Employees' Share			→ Distributable		Total Equity RM
		Share Capital RM	Treasury Shares RM	Translation Reserve RM	Capital Reserve RM	Option Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Controlling Interests RM	Non-Controlling Interests RM	
At 1 July 2023		73,943,285	(15,570,770)	2,918,349	14,288,147	396,806	286,445,227	362,421,044	29,481,090	391,902,134	
Profit after tax for the financial year		-	-	-	-	-	22,054,009	22,054,009	246,340	22,300,349	
Foreign currency translation differences for foreign operations		-	-	(21,496)	-	-	-	(21,496)	266,779	245,283	
Total comprehensive income for the financial year		-	-	(21,496)	-	-	22,054,009	22,032,513	513,119	22,545,632	
Contributions by and distributions to owners of the Company:											
Employees' share options exercised		420,990	-	-	-	(115,567)	-	305,423	-	305,423	
Dividends to owners of the Company		-	3,892,316	-	-	-	(7,105,127)	(3,212,811)	-	(3,212,811)	
- by subsidiary to non-controlling interests	38	-	-	-	-	-	-	-	(1,299,200)	(1,299,200)	
Total contributions by and distributions to owners		420,990	3,892,316	-	-	(115,567)	(7,105,127)	(2,907,388)	(1,299,200)	(4,206,588)	
Strike off of a subsidiary		-	-	-	-	-	-	-	(569,959)	(569,959)	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(569,959)	(569,959)	
At 30 June 2024		74,364,275	(11,678,454)	2,896,853	14,288,147	281,239	301,394,109	381,546,169	28,125,050	409,671,219	

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Group	Note	Non-Distributable				Distributable			Total Equity RM	
		Share Capital RM	Treasury Shares RM	Translation Reserve RM	Capital Reserve RM	Employees' Share Option Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM		Non-Controlling Interests RM
At 1 July 2022		73,735,469	(15,570,770)	5,112,697	14,288,147	453,854	270,792,238	348,811,635	28,735,059	377,546,694
Profit after tax for the financial year		-	-	-	-	-	19,780,090	19,780,090	1,170,980	20,951,070
Foreign currency translation differences for foreign operations		-	-	(2,194,348)	-	-	-	(2,194,348)	(1,291,949)	(3,486,297)
Total comprehensive income for the financial year		-	-	(2,194,348)	-	-	19,780,090	17,585,742	(120,969)	17,464,773
Contributions by and distributions to owners of the Company:										
Employees' share options exercised		207,816	-	-	-	(57,048)	-	150,768	-	150,768
Dividends to owners of the Company		-	-	-	-	-	(4,127,101)	(4,127,101)	-	(4,127,101)
- by subsidiary to non-controlling interest	38	-	-	-	-	-	-	-	(1,291,000)	(1,291,000)
Total contributions by and distributions to owners		207,816	-	-	-	(57,048)	(4,127,101)	(3,976,333)	(1,291,000)	(5,267,333)
Arising from additional investment in subsidiary		-	-	-	-	-	-	-	2,200,000	2,200,000
Capital reduction by a subsidiary		-	-	-	-	-	-	-	(42,000)	(42,000)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	2,158,000	2,158,000
At 30 June 2023		73,943,285	(15,570,770)	2,918,349	14,288,147	396,806	286,445,227	362,421,044	29,481,090	391,902,134

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Company	Note	Share Capital RM	Treasury Shares RM	Non-Distributable Employees' Share Options Reserve RM	Distributable Retained Profits RM	Total Equity RM
At 1 July 2023		73,943,285	(15,570,770)	396,806	20,520,183	79,289,504
Profit after tax for the financial year		-	-	-	5,338,949	5,338,949
Total comprehensive income for the financial year		-	-	-	5,338,949	5,338,949
Contributions by and distributions to owners of the Company:						
Employees' share options exercised		420,990	-	(115,567)	-	305,423
Dividends to owners of the Company	38	-	3,892,316	-	(7,105,127)	(3,212,811)
Total transactions with owners of the Company		420,990	3,892,316	(115,567)	(7,105,127)	(2,907,388)
At 30 June 2024		74,364,275	(11,678,454)	281,239	18,754,005	81,721,065

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Company	Note	Share Capital RM	Treasury Shares RM	Non-Distributable Employees' Share Options Reserve RM	Distributable Retained Profits RM	Total Equity RM
At 1 July 2022		73,735,469	(15,570,770)	453,854	18,821,112	77,439,665
Profit after tax for the financial year		-	-	-	5,826,172	5,826,172
Total comprehensive income for the financial year		-	-	-	5,826,172	5,826,172
Contributions by and distributions to owners of the Company:						
Employees' share options exercised		207,816	-	(57,048)	-	150,768
Dividends to owners of the Company	38	-	-	-	(4,127,101)	(4,127,101)
Total transactions with owners of the Company		207,816	-	(57,048)	(4,127,101)	(3,976,333)
At 30 June 2023		73,943,285	(15,570,770)	396,806	20,520,183	79,289,504

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		28,373,029	27,358,331	5,533,829	6,019,822
Adjustments for:-					
Bad debts written off		19,123	48,674	-	-
Depreciation of investment properties		559,328	218,193	-	-
Depreciation of property, plant and equipment		8,069,283	7,729,819	-	-
Depreciation of right-of-use assets		2,114,379	2,084,448	-	-
Distribution from trust funds (other investments)		(1,239,277)	(871,438)	-	-
Fair value gain on other investments		(3,720,569)	(2,171,432)	-	-
Gain on disposal of other investments		(718,587)	-	-	-
Gain on modification of leases		(8,700)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(12,860)	469,519	-	-
Gain on disposal of investment property		(7,751,845)	-	-	-
Impairment loss:-					
- investment in subsidiaries		-	-	1,779,269	2,370,995
- receivables		677,701	777,476	-	-
Property, plant and equipment written off		117,432	140	-	-
Reversal of:-					
- allowance for impairment loss of receivables		(480,457)	(261,056)	-	-
- impairment loss of investment in subsidiary		-	-	-	(63,000)
- write-down of inventories		(729,130)	(28,338)	-	-
Share of loss of associates		42,003	100,160	-	-
Unrealised loss/(gain) on foreign exchange		1,708,407	(2,112,297)	-	-
Write-down of inventories		2,068,538	1,055,771	-	-
Inventories written-off		-	85,450	-	-
Lost of inventories		76	4,290	-	-
Gain on strike off of subsidiary		(592,208)	(1,138,720)	-	-
Dividend income		-	-	(7,948,800)	(8,936,500)
Interest expense		843,044	807,186	43,871	39,788
Interest income		(258,501)	(121,127)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES					
		29,080,209	34,035,049	(591,831)	(568,895)
Inventories		(5,522,673)	8,276,648	-	-
Contract assets		292,763	31,854	-	-
Trade and other receivables, deposits and prepayments		2,069,220	4,672,256	(2,322,196)	1,812,929
Trade and other payables and accruals		(1,663,384)	1,371,251	5,565,133	4,484,846
CASH FROM OPERATIONS					
		24,256,135	48,387,058	2,651,106	5,728,880
Dividend received		-	-	194,880	1,936,500
Interest paid		(43,871)	(39,987)	(43,871)	(39,788)
Interest received		258,152	121,127	-	-
Tax paid		(3,000,442)	(5,202,263)	(203,256)	(210,546)
Tax refund		776,325	883,618	330,054	-
NET CASH FROM OPERATING ACTIVITIES					
		22,246,299	44,149,553	2,928,913	7,415,046

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Additional of investment in an existing subsidiary		-	-	-	(3,300,000)
Additional of investment in an existing subsidiary by non-controlling interests		-	2,200,000	-	-
Addition of right-of-use asset	39(a)	-	(326,201)	-	-
Net increase in deposit pledged		(404)	(311)	-	-
(Payment for)/proceeds from capital reduction		-	(42,000)	-	63,000
Proceeds from disposal of property, plant and equipment		484,497	157,346	-	-
Proceeds from disposal of investment property		13,351,554	-	-	-
Proceeds from disposal of other investments		107,279,560	22,450,000	-	-
Purchase of property, plant and equipment	39(a)	(6,135,170)	(13,733,550)	-	-
Purchase of other investments		(137,700,000)	(36,100,000)	-	-
NET CASH FOR INVESTING ACTIVITIES		(22,719,963)	(25,394,716)	-	(3,237,000)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid by the Company		(3,212,811)	(4,127,101)	(3,212,811)	(4,127,101)
Dividends paid by subsidiaries to non-controlling interests		(1,299,200)	(1,291,000)	-	-
Drawdown of revolving credit		1,000,000	-	-	-
Drawdown of term loans	39(b)	-	5,525,000	-	-
Interest paid		(799,173)	(767,199)	-	-
Repayment of lease liabilities	39(b)	(1,887,166)	(1,938,536)	-	-
Repayment of hire purchase payables	39(b)	(429,280)	(560,705)	-	-
Repayment of term loans	39(b)	(4,124,352)	(2,197,190)	-	-
Proceeds from exercise of employees' share option		305,423	150,768	305,423	150,768
NET CASH FOR FINANCING ACTIVITIES		(10,446,559)	(5,205,963)	(2,907,388)	(3,976,333)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,920,223)	13,548,874	21,525	201,713
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(388,793)	(1,109,511)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		38,510,190	26,070,827	489,197	287,484
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(d)	27,201,174	38,510,190	510,722	489,197

The annexed notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

Principal place of business : No. 3, 5 & 7, Jalan TSB 8,
Taman Industri Sungai Buloh,
47000 Sungai Buloh, Selangor Darul Ehsan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 8 October 2024.

2. HOLDING COMPANY

The Company is a subsidiary of Omega Attraction Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

3. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the Group is Mr. Tan Ah Bah @ Tan Ah Ping who is the controlling shareholder of the ultimate holding company.

4. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 7(a) to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

5. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

5.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. BASIS OF PREPARATION (CONT'D)

- 5.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):- (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 6 to the financial statements in line with the amendments.

- 5.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations

(including the Consequential Amendments)

Effective date

MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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: 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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard sets out the new requirements for the presentation and disclosure of information in the primary financial statements and notes. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION

6.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 9 to the financial statements.

(b) Impairment of Property, Plant and Equipment

The Group and the Company determine whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as independent market quotes. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Investment Properties

The Group and the Company determine whether an item of its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation report. The carrying amount of investment properties as at the reporting date is disclosed in Note 11 to the financial statements.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 16 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables (other than inter-company balances) and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 13, 17, 19 and 21 to the financial statements respectively.

(f) Impairment of Inter-company Receivables

The loss allowances for inter-company receivables are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Company to assess whether there is a significant increase in credit risk of the inter-company receivables at the reporting date. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of inter-company receivables as at the reporting date are disclosed in Note 20 to the financial statements.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities of the Group as at the reporting date are RM 2,423,897 and RM 115,509 (2023: RM 7,103,053 and RM 115,908).

(h) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

6.2 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.2 Financial Instruments (Cont'd)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

(e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.3 Investments in Subsidiaries

Investments in subsidiaries including the share options granted to employees of the subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

6.4 Investments in Associates

Investments in associates are stated in the financial statements of the Group at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

6.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Leasehold building	50 years
Factory and shoptlot buildings	5 to 50 years
Plant and machinery	2 to 20 years
Motor vehicles	5 to 10 years
Office equipment, furniture and fittings	2 to 10 years

Capital work-in-progress represent factory buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

6.6 Investment Properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Leasehold land	74 to 99 years
Factory and other buildings	50 years

Property under construction is not depreciated until such time when the asset is available for use.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.7 Right-of-use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

6.8 Intangible Assets

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

License for use of software platform	2.5 years
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6.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out and weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Unquoted Shares, At Cost		
At 1 July	109,197,597	105,988,347
Addition	-	3,300,000
Capital reduction	-	(63,000)
Strike off of subsidiary	(57,000)	(27,750)
	109,140,597	109,197,597
	At 30 June	
Less : Accumulated Impairment Losses		
At 1 July	16,421,062	14,140,817
Addition	1,779,269	2,370,995
Reversal	-	(63,000)
Strike off of subsidiary	(57,000)	(27,750)
	18,143,331	16,421,062
	At 30 June	
Carrying Amount		
At 30 June	90,997,266	92,776,535
Represented by:-		
Unquoted shares in Malaysia	82,697,053	83,678,643
Unquoted shares outside Malaysia	8,300,213	9,097,892
	90,997,266	92,776,535

During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM1,779,269 (2023: RM2,370,995), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income. The recoverable amounts were determined based on their value in use approach and the post-tax discount rates used were 10.3% (2023: 8.1%).

(a) Details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of issued Share Capital Held by Parent		Principal Activities
		2024	2023	
Success Electronics & Transformer Manufacturer Sdn. Bhd. ("SETM")	Malaysia	100%	100%	Manufacture of electrical apparatus and industrial lighting.
Success Transformer Marketing Sdn. Bhd. ("STMKT")	Malaysia	100%	100%	Trading, sales and marketing of electrical apparatus and industrial lighting.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of issued Share Capital Held by Parent		Principal Activities
		2024	2023	
Success Transformer Manufacturer Sdn. Bhd. ("STM")	Malaysia	100%	100%	Investment holding.
SES Property Sdn. Bhd. ("SESP")	Malaysia	100%	100%	Property investment holding.
Aruanmota Sdn. Bhd. ("ASB")	Malaysia	100%	100%	Property investment holding.
Nikkon LED Sdn. Bhd. ("NLED")	Malaysia	80%	80%	Manufacturing of LED lighting.
Daiichi Steel Sdn. Bhd. ("DS")	Malaysia	100%	100%	Manufacture of metal products focusing on metal stamping parts.
Omega Metal Industries Sdn. Bhd. ("OMI") @	Malaysia	100%	100%	Manufacture of metal products focusing on metal casing.
ILCS Technologies Sdn. Bhd. ("ILCS") @	Malaysia	60%	60%	Trading, sales and marketing of electrical apparatus, lighting and related products.
Nikkon Lighting Pty. Ltd. ("NLPL") (Note(c)(i))	Australia	-	-	Strike off during the last financial year.
Success Transformer Pte. Ltd. ("STPL") #@	Singapore	100%	100%	Investment holding and to carry on business of electricians, mechanical engineers or any other of alike nature and general contractors
Boxon Industries Hardware (M) Sdn. Bhd. ("BIHM") (Note(b)) & (Note(c)(iii))	Malaysia	-	60%	Strike off during the financial year.
Ningbo Success Zhenye Luminaire Limited Liabilities Company ("NSZ") #	People's Republic of China	60%	60%	Design, manufacture and trading of industrial light fittings and fixtures.
Nikkon Success Kenya Limited ("NSK")	Republic of Kenya	91%	91%	Ceased business operation.
Nikkon Lighting (Thailand) Co., Ltd. ("NLT") #@	Thailand	49% ^	49% ^	Distribution of lighting and electrical products.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of issued Share Capital Held by Parent		Principal Activities
		2024	2023	
PT. Boxon Nikkon Jayaindo ("BNJ") #	Indonesia	99%	99%	Wholesale for lighting, mechanical and electrical products, metal enclosure and accessories.
Kare For U Sdn. Bhd. ("KARE") @	Malaysia	60%	60%	Trading and marketing of goods related to healthcare products and personal protection equipment.
Global-Pacific Manufacturing Sdn. Bhd. ("GPM") (Note (c)(ii))	Malaysia	60%	60%	Provision of aluminium die casting works and distribution of automotive parts and components.
Subsidiary of STMKT				
A.B.U Hayat Lighting Sdn. Bhd. ("AHL") @	Malaysia	60%	60%	Provision of general consultancy and contractor services relating to electrical and electronics and to engage in trading, sales and marketing of electrical apparatus and industrial lighting.
Subsidiaries of NSZ				
Ninghai Success Zhenye Casting Limited Liabilities Company ("NSC") #	People's Republic of China	60%	60%	Provision of aluminium die-casting, light fittings assembly and mould.
Ningbo Success Gushi International Trading Co. Ltd ("NSG") #	People's Republic of China	100%	100%	Trading of industrial light fittings and fixtures.
Subsidiary of STPL				
Nikkon Lighting & Electrical Pte. Ltd. ("NLE") #	Singapore	75%	75%	Marketing and distribution of electrical appliances and industrial lighting.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:- (Cont'd)

These subsidiaries were audited by other firms of chartered accountants.

^ *In accordance with the Memorandum of Articles of Association of NLT, one voting right is attached to every one ordinary share and one voting right is attached to every ten preferred shares. Based on existing total issued and paid-up share capital of NLT of 9,800 ordinary shares of THB 100 each and 10,200 preferred shares of THB 100 each, the total voting rights are 10,820 comprising 9,800 voting rights for ordinary shares and 1,020 voting rights for preferred shares. Success Transformer Corporation Berhad ("STC") holds 9,800 ordinary shares which carry with them 9,800 voting rights or 90.6% of the total voting rights in NLT. As STC has control over NLT, the account of NLT is consolidated into the Group's financial statements.*

@ *The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continuous financial support to the subsidiary.*

(b) On 3 May 2024, the Company's dormant direct subsidiary, BIHM was being struck off.

(c) In the previous financial year, the following transactions occurred:-

(i) On 2 October 2022, the Company's dormant direct subsidiary, NLPL was being struck off.

(ii) On 29 December 2022, the Company subscribed an additional 3,300,000 ordinary shares in GPM at an issue price of RM1 each in the capital of GPM by way of offsetting amount due from GPM of RM3,300,000. Following the completion of the transaction, GPM remained a 60% owned subsidiary of the Company.

(iii) On 20 February 2023, BIHM, a 60% owned subsidiary of the Company, reduced its issued and paid-up share capital from RM200,000 to RM95,000 and that such reduction be effected by cancelling 105,000 ordinary issued shares.

(d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024 %	2023 %	2024 RM	2023 RM
NSZ	40	40	18,091,055	18,706,651
Other individually immaterial subsidiaries	-	-	10,033,995	10,774,439
			28,125,050	29,481,090



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	NSZ	
	2024 RM	2023 RM
At 30 June		
Non-current assets	12,728,952	14,827,979
Current assets	48,890,283	49,880,846
Non-current liabilities	-	(3,335)
Current liabilities	(16,391,597)	(17,938,862)
Net assets	45,227,638	46,766,628
Financial Year Ended 30 June		
Revenue	88,152,957	83,297,466
Profit and total comprehensive income for the financial year	1,155,563	2,251,004
Total comprehensive income attributable to non-controlling interests	462,225	900,402
Dividends paid to non-controlling interests	1,299,200	1,291,000
Net cash flows from operating activities	7,596,602	8,579,891
Net cash flows for investing activities	(3,145,881)	(6,863,290)
Net cash flows for financing activities	(3,248,500)	(3,231,000)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

8. INVESTMENT IN ASSOCIATES

	The Group	
	2024	2023
	RM	RM
At Carrying Amount		
At 1 July	320,646	430,953
Share of post-acquisition (loss)	(42,003)	(100,160)
Exchange differences	3,803	(10,147)
	282,446	320,646
Represented by:-		
Unquoted shares outside Malaysia	282,446	320,646

(a) Details of the associates are as follows:-

Name of Associates	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2024	2023	
Shenyang Success Zhenye Luminaire Limited Liabilities Company ("SSZ") *	People's Republic of China	40%	40%	Sales of lighting, plastics, glasses, molds, electric and electronic equipments and parts.
Success Zhenye Luminaire Beijing Limited Liabilities Company ("BSZ") *	People's Republic of China	40%	40%	Sales of lighting and decorative materials.

* *Not a legal requirement to be audited.*

(b) The summarised unaudited financial information has not been presented as all associates are not individually material to the Group.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

9. PROPERTY, PLANT AND EQUIPMENT

The Group – 2024	Freehold land RM	Leasehold building RM	Factory and shoplot buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
At Cost								
At 1 July 2023	26,574,987	734,586	47,622,870	80,836,530	10,788,056	10,832,659	6,332,698	183,722,386
Additions	-	-	314,281	3,768,330	1,726,005	373,973	133,038	6,315,627
Disposals	-	-	-	(964,134)	(570,502)	(14,240)	-	(1,548,876)
Reclassification	-	-	227,420	-	-	-	(6,267,200)	(6,039,780)
Write off	-	-	(232,128)	(263,541)	-	(19,074)	-	(514,743)
Exchange differences	-	-	104,771	391,091	(5,622)	14,448	-	504,688
At 30 June 2024	26,574,987	734,586	48,037,214	83,768,276	11,937,937	11,187,766	198,536	182,439,302
Less : Accumulated Depreciation								
At 1 July 2023	-	16,547	11,654,647	57,249,058	7,113,984	9,242,361	-	85,276,597
Charge for the financial year	-	14,691	1,530,617	5,227,850	855,923	440,202	-	8,069,283
Disposals	-	-	-	(680,371)	(382,633)	(14,235)	-	(1,077,239)
Reclassification	-	-	67,881	-	-	-	-	67,881
Write off	-	-	(119,624)	(252,038)	-	(19,067)	-	(390,729)
Exchange differences	-	-	32,243	283,677	(6,954)	12,029	-	320,995
At 30 June 2024	-	31,238	13,165,764	61,828,176	7,580,320	9,661,290	-	92,266,788
Less : Accumulated Impairment Loss								
At 1 July 2023	-	-	152,043	766,044	-	64,505	-	982,592
Write off	-	-	-	(6,582)	-	-	-	(6,582)
At 30 June 2024	-	-	152,043	759,462	-	64,505	-	976,010
Carrying Amount								
At 30 June 2024	26,574,987	703,348	34,719,407	21,180,638	4,357,617	1,461,971	198,536	89,196,504



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group – 2023	Freehold land RM	Leasehold building RM	Factory and shoplot buildings RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
At Cost								
At 1 July 2022	26,574,987	1,383,150	48,243,936	75,435,414	10,732,476	10,794,032	7,017,116	180,181,111
Additions	-	-	3,021,832	7,506,252	818,416	415,010	378,314	12,139,824
Disposals	-	-	(591,398)	(771,129)	(807,354)	(376,218)	-	(2,546,099)
Reclassification	-	(648,564)	(3,647,645)	(506,930)	-	-	(1,062,732)	(5,865,871)
Write off	-	-	-	(7,500)	-	(8,101)	-	(15,601)
Exchange differences	-	-	596,145	(819,577)	44,518	7,936	-	(170,978)
At 30 June 2023	26,574,987	734,586	47,622,870	80,836,530	10,788,056	10,832,659	6,332,698	183,722,386
Less : Accumulated Depreciation								
At 1 July 2022	-	3,493	11,359,246	53,872,214	6,995,901	9,136,588	-	81,367,442
Charge for the financial year	-	24,420	1,041,515	5,349,472	839,445	474,967	-	7,729,819
Disposals	-	-	(108,641)	(665,187)	(772,173)	(373,232)	-	(1,919,233)
Reclassification	-	(11,366)	(770,448)	(542,126)	-	-	-	(1,323,940)
Write off	-	-	-	(7,499)	-	(7,962)	-	(15,461)
Exchange differences	-	-	132,975	(757,816)	50,811	12,000	-	(562,030)
At 30 June 2023	-	16,547	11,654,647	57,249,058	7,113,984	9,242,361	-	85,276,597
Less : Accumulated Impairment Loss								
At 1 July 2022	-	-	152,043	766,044	-	64,505	-	982,592
Addition	-	-	-	-	-	-	-	-
At 30 June 2023	-	-	152,043	766,044	-	64,505	-	982,592
Carrying Amount								
At 30 June 2023	26,574,987	718,039	35,816,180	22,821,428	3,674,072	1,525,793	6,332,698	97,463,197



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The following property, plant and equipment of the Group are charged against banking facilities granted to the Group (Note 27(a)(i)):-

	The Group	
	2024	2023
	RM	RM
Carrying Amount		
Freehold land	16,683,959	26,104,987
Factory and shoptlot buildings	16,727,591	26,865,435
	33,411,550	52,970,422

- (b) Included in plant and machinery of the Group with carrying amount of RM 862,999 (2023: RM 1,079,846) are held in trust by supplier.
- (c) Included in plant and machinery and motor vehicles of the Group with carrying amounts of RM 182,000 and RM 599,866 (2023: RM 390,000 and RM 857,022) respectively are held under hire purchase arrangements (Note 27(b)).
- (d) There is no property, plant and equipment in the Company throughout the current and previous financial year.

10. INTANGIBLE ASSET

	The Group	
	2024	2023
	RM	RM
<u>License for software platform</u>		
At Cost		
At 1 July	396,505	396,505
Additions	-	-
At 30 June	396,505	396,505
Less : Accumulated Amortisation		
At 1 July	118,951	118,951
Amortised during the financial year	-	-
At 30 June	118,951	118,951
Less : Accumulated Impairment Losses		
At 1 July	277,554	277,554
Additions	-	-
At 30 June	277,554	277,554
Carrying Amount		
At 30 June	-	-

There is no intangible asset in the Company throughout the current and previous financial year.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INVESTMENT PROPERTIES

	The Group	
	2024	2023
	RM	RM
At Cost		
At 1 July	44,171,719	35,564,846
Reclassification	5,809,779	8,606,873
Disposal	(6,437,989)	-
At 30 June	43,543,509	44,171,719
Less : Accumulated Depreciation		
At 1 July	3,585,858	1,908,462
Charge for the financial year	559,328	218,193
Reclassification	(110,595)	1,459,203
Disposal	(838,280)	-
At 30 June	3,196,311	3,585,858
Less : Accumulated Impairment Losses		
At 1 July	138,086	138,086
Addition	-	-
At 30 June	138,086	138,086
Carrying Amount		
At 30 June	40,209,112	40,447,775
Fair Value		
At 30 June	68,116,489	80,652,402

- (a) In the previous financial year, the investment properties of the Group comprise commercial building under construction amounting to RM 4,930,400.
- (b) The investment properties of the Group are leased under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 2 years (2023: 1 to 2 years) with some have an option that is exercisable by the tenant to extend its lease for another 2 years (2023: 2 years).

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group	
	2024	2023
	RM	RM
Within 1 year	1,005,400	657,480
Between 1 and 2 years	285,000	465,400
	1,290,400	1,122,880



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

11. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties of the Group with carrying amount of RM 7,016,060 (2023: RM 7,153,121) are charged against banking facilities granted to the Group (Note 27(a)(i)).
- (d) The fair values hierarchy profile of the Group's investment properties not carried at fair value are analysed as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Investment properties	-	7,200,000	60,916,489	68,116,489
2023				
Investment properties	-	13,351,548	67,300,854	80,352,402

- (i) The level 2 fair value of the investment properties are arrived at by reference to recent market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the location and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. For financial year 2023, included in the level 2 fair value of investment properties is an amount of RM13,351,548 which has been determined based on purchase consideration in the Letter of Intent dated on 23 August 2023.
- (ii) The level 3 fair value of the investment properties are arrived at by reference to market evidence of transaction prices for similar properties in the vicinity and are recommended by the directors. The most significant input into this valuation approach is the price per square foot of comparable properties.
- (e) Rental income and direct operating expenses arising from investment properties during the financial year are as follows:-

	The Group	
	2024 RM	2023 RM
Rental income	997,600	219,680
Direct operating expenses		
– generating rental income	487,996	170,745
– non-generating rental income	59,076	58,047



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. RIGHT-OF-USE ASSETS

	At 1 July 2023 RM	Depreciation Charges RM	Reclassification RM	Reassessment/ Modification of Lease Liabilities RM	Derecognition due to Lease Modification RM	Exchange Difference RM	At 30 June 2024 RM
The Group 2024							
<i>Carrying Amount</i>							
Leasehold land	4,219,744	(65,797)	147,286	-	-	-	4,301,233
Office and factory buildings	2,131,697	(1,772,975)	-	-	-	(16,963)	341,759
Hostels	330,090	(155,731)	-	54,616	(201,256)	-	27,719
Motor vehicle	194,161	(107,720)	-	1,233	-	2,389	90,063
Office equipment	24,006	(12,156)	-	-	-	293	12,143
	6,899,698	(2,114,379)	147,286	55,849	(201,256)	(14,281)	4,772,917

	At 1 July 2022 RM	Additions RM	Depreciation Charges RM	Reclassification RM	Reassessment/ Modification of Lease Liabilities RM	Exchange Difference RM	At 30 June 2023 RM
The Group 2023							
<i>Carrying Amount</i>							
Leasehold land	7,972,709	-	(119,690)	(3,633,275)	-	-	4,219,744
Office and factory buildings	210,543	3,678,386	(1,719,301)	-	-	(37,931)	2,131,697
Hostels	23,545	417,031	(132,902)	-	22,416	-	330,090
Motor vehicle	274,208	-	(101,051)	-	2,096	18,908	194,161
Office equipment	33,199	-	(11,504)	-	-	2,311	24,006
	8,514,204	4,095,417	(2,084,448)	(3,633,275)	24,512	(16,712)	6,899,698



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

12. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain pieces of leasehold land, various buildings, motor vehicle and office equipment of which the leasing activities are summarised below:-
- (i) Leasehold land The Group has entered into non-cancellable operating lease agreements for the use of land. The leases are for a period of 83 – 87 (2023: 83 – 87) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land.
 - (ii) Office and factory buildings The Group has leased a number of office and factory building that run between 2 – 3 (2023: 2 – 3) years, with some have an option to renew the lease after that date.
 - (iii) Hostels The Group has leased a number of hostels that run for 2 (2023: 2 – 3) years, with some have an option to renew the lease after that date.
 - (iv) Motor vehicle The Group has leased a motor vehicle that runs for 4 (2023: 4) years. The lease is secured by the leased asset.
 - (v) Office equipment The Group has leased an office equipment that run for 5 (2023: 5) years, with an option to renew the lease after that date.
- (b) Most extension options in the lease of hostels and office equipment have not been included in the related leased liabilities as at the reporting date because the Group could replace the assets without significant cost or business disruption.
- (c) The leasehold land of the Group with carrying amount of RM 3,711,066 (2023: RM 3,770,207) are charged against banking facilities granted to the Group (Note 27(a)(i)).

13. AMOUNT DUE FROM/(TO) RELATED PARTIES

	The Group	
	2024	2023
	RM	RM
Amount Due from Related Parties		
<i>Non-current</i>		
Trade balance	1,813,755	1,995,211
<i>Current</i>		
Trade balances	211,408	226,560
	2,025,163	2,221,771
Amount Due To Related Parties		
<i>Current</i>		
Trade balances	(33,279)	(42,552)
Non-trade balance	(114,583)	(126,500)
	(147,862)	(169,052)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. AMOUNT DUE FROM/(TO) RELATED PARTIES (CONT'D)

- (a) The trade amount due from a related party amounting to RM 2,025,163 (2023: RM 2,217,913) is repayable by 180 (2023: 180) monthly instalments and measured at amortised cost at imputed rate of 3.1% (2023: 3.1%) per annum. The remaining trade amount due from a related party is non-interest bearing and is generally on credit terms of NIL days (2023: 60 days) from invoice date or the first day of the immediate following month after sales invoices date, whichever applicable.
- (b) The trade amount due to related parties is on credit terms of 90 days (2023: 90 days) from invoice date or the first day of the immediate following month after purchases invoice date, whichever applicable.
- (c) The non-trade amount due to a related party is subject to a credit term of 30 days (2023: 30 days).

14. OTHER INVESTMENTS

	The Group	
	2024	2023
	RM	RM
<i>Non-current</i>		
Fixed income trust funds, at fair value	10,376,000	-
<i>Current</i>		
Equity trust funds, at fair value	20,217,341	-
Fixed income trust funds, at fair value	76,199,879	66,812,053
Money market funds, at fair value	5,768,048	9,649,992
	102,185,268	76,462,045
	112,561,268	76,462,045



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

15. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting, are shown in the statements of financial position:-

	The Group	
	2024 RM	2023 RM
At 1 July	(2,686,944)	(2,257,852)
Recognised in profit or loss:- (Note 36(a))		
– Accelerated capital allowance	19,821	(116,688)
– Allowance for impairment loss on receivables	(47,566)	(108,932)
– Others	703,609	(150,073)
– Exchange differences	(22,225)	11,293
– Over/(Under)provision in prior years	168,501	(64,692)
At 30 June	(1,864,804)	(2,686,944)
Presented after appropriate offsetting as follow:-		
Deferred tax assets	191,599	262,467
Deferred tax liabilities	(2,056,403)	(2,949,411)
At 30 June	(1,864,804)	(2,686,944)

16. INVENTORIES

	The Group	
	2024 RM	2023 RM
Raw materials	57,710,570	58,862,299
Work-in-progress	5,916,638	5,469,508
Finished goods	37,221,533	32,333,744
	100,848,741	96,665,551
Recognised in profit or loss:-		
Inventories recognised as cost of sales	162,730,742	163,279,585
Write-down of inventories	2,068,538	1,055,771
Reversal of inventories write-down	(729,130)	(28,338)
Write-off of inventories	-	85,450



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

17. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
<i>Non-current</i>		
Trade receivable	1,393,308	2,153,316
<i>Current</i>		
Trade receivables	67,421,041	72,948,380
Less : Allowance for impairment losses (Note 43.1(b)(iii))	(3,261,545)	(3,763,699)
	64,159,496	69,184,681
	65,552,804	71,337,997

- (a) Included in the Group's non-current and current trade receivables is an amount of RM 2,343,318 (2023: RM 3,039,992) which is repayable by 60 (2023: 60) monthly instalments.
- (b) The Group's remaining trade receivables are non-interest bearing and are generally on trade terms of cash - 180 days credit (2023: cash - 180 days credit) from invoice date or the first day of the immediate following month after sales invoice date, whichever applicable. Other credit terms are assessed and approved on a case-by-case basis.
- (c) Included in trade receivables are retention sums of RM 18,856 (2023: RM 37,270). The retention sums are generally on credit terms up to 360 days (2023: 360 days).

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits to suppliers	6,398,293	3,078,584	-	-
Deposits	732,467	635,114	1,000	1,000
Prepayments	1,208,226	1,196,015	-	-
Sales tax/goods and services tax recoverable	1,596,658	1,830,164	-	-
Sundry receivables	1,025,883	960,437	-	-
	10,961,527	7,700,314	1,000	1,000

- (a) In the previous financial year, included in the deposits to suppliers is an amount of RM 20,000 paid for the purchase of property, plant and equipment (Note 39(a)).
- (b) The deposits to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

19. CONTRACT ASSETS

	The Group	
	2024	2023
	RM	RM
Contract Assets		
Contract assets relating to sales of goods	49,566	342,329

(a) The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

(b) The changes to contract asset balance during the financial year are summarised below:-

	The Group	
	2024	2023
	RM	RM
At 1 July	342,329	374,183
Performance obligation performed	-	281,714
Transfer to trade receivables	(297,085)	(342,587)
Exchange differences	4,322	29,019
	49,566	342,329
At 30 June	49,566	342,329
Represented by:-		
Contract assets	49,566	342,329

20. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	The Company	
	2024	2023
	RM	RM
Amount Due from Subsidiaries		
<i>Current</i>		
Trade balances	6,822,431	4,407,244
Non-trade balances	1,675,568	1,768,559
	8,497,999	6,175,803
Amount Due to Subsidiaries		
<i>Current</i>		
Non-trade balances	(19,164,256)	(19,637,451)

The amount due from/(to) subsidiaries are unsecured, interest free and repayable on demand.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

21. AMOUNT DUE FROM ASSOCIATES

	The Group 2024 RM	2023 RM
<i>Current</i>		
Trade balances	824,015	694,312
Less: Allowance for impairment losses (Note 43.1(b)(iii))	(677,701)	-
	146,314	694,312

The trade amount due from associates are non-interest bearing and generally on credit terms of 7 - 180 days (2023: 7 - 180 days) from invoice date or the first day of the immediate following month after sales invoice date, whichever applicable.

22. FIXED DEPOSITS WITH LICENSED BANKS

	The Group 2024 RM	2023 RM
Fixed deposits with licensed banks	17,943	354,438

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period amounting to RM 17,943 (2023: RM 17,539) are pledged to licensed banks as security for banking facilities which have been granted to the Group (Note 27(a)(iii)).
- (b) The effective interest rates (per annum) of fixed deposits with licensed banks at the end of the reporting period are as follows:-

	The Group 2024 %	2023 %
Fixed deposits with licensed banks	2.4	2.3 - 2.5

- (c) The maturity periods at the end of the reporting period are as follows:-

	The Group 2024 Days	2023 Days
Fixed deposits with licensed banks	365	30 - 365



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

23. SHARE CAPITAL

	The Group and The Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and Fully Paid-Up:-				
Ordinary Shares				
At 1 July	252,344,000	73,943,285	252,064,800	73,735,469
New shares issued under the employees' share option scheme for cash (Note 25 (c))	565,600	420,990	279,200	207,816
At 30 June	252,909,600	74,364,275	252,344,000	73,943,285

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM73,943,285 to RM74,364,275 by way of:-
- (i) Issuance of 565,600 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise prices of RM0.54 which amounted to RM420,990.
- (c) In the previous financial year, the Company increased its issued and paid-up share capital from RM 73,735,469 to RM 73,943,285 by way of:-
- (i) Issuance of 279,200 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise prices of RM0.54 which amounted to RM207,816.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

24. TREASURY SHARES

	The Group and The Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
At Cost				
At 1 July	22,949,254	15,570,770	22,949,254	15,570,770
Distributed as share dividend	(5,736,649)	(3,892,316)	-	-
	<hr/>		<hr/>	
At 30 June	17,212,605	11,678,454	22,949,254	15,570,770

During the financial year, the Company distributed a total number of 5,736,649 treasury shares to its shareholders as share dividend on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in the Company.

During the financial year, the Company did not purchase its issued ordinary shares from the open market. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and presented as a deduction from total equity.

Out of total 252,909,600 (2023: 252,344,000) issued and fully paid ordinary shares at 30 June 2024, 17,212,605 (2023: 22,949,254) ordinary shares are held as treasury shares by the Company. Therefore, the number of outstanding ordinary shares in issue and fully paid is 235,696,995 (2023: 229,394,746).

25. RESERVES

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-Distributable				
Translation reserve	2,896,853	2,918,349	-	-
Capital reserve	14,288,147	14,288,147	-	-
Employees' share option reserve	281,239	396,806	281,239	396,806
Distributable				
Retained profits	301,394,109	286,445,227	18,754,005	20,520,183
	<hr/>		<hr/>	
	318,860,348	304,048,529	19,035,244	20,916,989

(a) Translation Reserve

The translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign subsidiaries, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign subsidiaries.

(b) Capital Reserve

The capital reserve comprises the equity portion of bonus shares issued by a subsidiary.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

25. RESERVES (CONT'D)

(c) Employees' Share Option Reserve

The employees' share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 2 July 2018. The ESOS is to be in force for a period of 5 years effective from 3 July 2018.

On 23 May 2023, the Board of Directors of the Company approved the extension of the duration of the ESOS for an extended period of 5 years from 3 July 2023 to 2 July 2028.

The main features of the ESOS are as follows:-

- (i) The maximum number of new share under the ESOS shall not in aggregate exceed 15% of the total number of issued and paid-up share capital of the Company (excluding treasury shares) or any limit prescribed by any guidelines, rules and regulations of the relevant authorities at any point of time during the duration of the ESOS.
- (ii) Eligible persons are employees and/or directors of the Group, who as at the date of offer, have been confirmed in service and has served at least one year in the employment of the Group (excluding dormant subsidiary companies) or where the executive director or employee is under an employment contract, the contract is for a duration of at least two years and shall have not expired within six months from the date of offer.
- (iii) Not more than 10% of the total number of new share to be issued under the ESOS shall be allocated to employee who, either singly or collectively through person connected to him/her, holds 20% or more in the issued and paid-up capital of the Company (excluding treasury shares).
- (iv) Not more than 50% of the total number of new share to be issued under the ESOS shall be allocated in aggregate to the executive directors and senior management of the Group (excluding dormant subsidiary companies).
- (v) The option price shall be determined based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the date of offer; with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS.
- (vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank equally in all respects with the existing ordinary shares of the Company, except that new ordinary shares so acquired and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.
- (vii) The unexercised option granted to eligible employees will lapse when they are no longer in employment with the Group unless a claim was made that is subjected to the discretion of the Option Committee.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

25. RESERVES (CONT'D)

(c) Employees' Share Option Reserve (Cont'd)

The option prices and the details in the movement of the options granted are as follows:-

Date of offer	Exercise Price	Remaining Contractual Life of Options	← Number of Options over Ordinary Shares →			
			At 01.07.2023	Reallocated	Exercised	At 30.06.2024
16 November 2018	0.54	4 years	3,038,100	-	(565,600)	2,472,500

Date of offer	Exercise Price	Remaining Contractual Life of Options	← Number of Options over Ordinary Shares →			
			At 01.07.2022	Reallocated	Exercised	At 30.06.2023
16 November 2018	0.54	5 years	3,317,300	-	(279,200)	3,038,100

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of the any other company.

On 16 November 2018, a total of 7,102,200 ESOS options were offered to the eligible employees and an executive director of the Group at RM0.54 and a total number of 6,771,200 ESOS options were accepted by the eligible employees and the executive director on 15 December 2018.

On 23 May 2023, the Board of Directors of the Company approved the extension of the duration of the ESOS for an extended period of 5 years from 3 July 2023 and expire on 2 July 2028.

The fair values of the share options granted were estimated using a black scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	The Group and The Company	
	2024	2023
Fair value of share options at the grant date (RM)	0.0735 - 0.2043	0.0735 - 0.2043
Weighted average ordinary share price (RM)	0.59	0.59
Exercise price of share option (RM)	0.54	0.54
Expected volatility (%)	58.08	58.08
Expected life (years)	5	5
Risk free rate (%)	3.77	3.77
Expected dividend yield (%)	2.60	2.60



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

26. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 July	2,162,824	355,511
Acquisition of new leases	-	3,769,216
Interest expense recognised in profit or loss (Note 31)	80,096	185,114
Repayment of principal	(1,887,166)	(1,938,536)
Repayment of interest expense	(80,096)	(185,114)
Reassessment/Modification of leases	55,849	24,512
Derecognition due to lease modification	(209,956)	-
Exchange differences	21,939	(47,879)
	143,490	2,162,824
Analysed by:-		
Current liabilities	142,342	1,868,646
Non-current liabilities	1,148	294,178
	143,490	2,162,824

27. BORROWINGS

	The Group	
	2024 RM	2023 RM
Current		
Secured		
– Revolving credit	1,000,000	-
– Term loans	1,124,352	1,124,352
– Hire purchase payables	225,733	405,679
	2,350,085	1,530,031
Non-Current		
Secured		
– Term loans	10,579,196	14,703,548
– Hire purchase payables	96,665	194,739
	10,675,861	14,898,287
Total borrowings	13,025,946	16,428,318



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

27. BORROWINGS (CONT'D)

- (a) The borrowings of the Group are secured by way of:-
- (i) Registered charge over certain property, plant and equipment (Note 9(a)), certain investment properties (Note 11(c)) and certain right-of-use assets (Note 12(c)) of the Group.
 - (ii) Corporate guarantee provided by the Company;
 - (iii) Fixed deposits with licensed banks of the Group (Note 22(a)).
- (b) The hire purchase payables of the Group are secured by plant and machinery and motor vehicles as disclosed in Note 9(c) to the financial statements.
- (c) The effective interest rates (per annum) of borrowings at the end of the reporting period were as follows:-

	The Group	
	2024	2023
	%	%
Revolving credit	4.5	-
Term loans	4.7 - 5.0	4.6
Hire purchase payables	3.6 - 6.9	3.6 - 6.9

28. TRADE PAYABLES

The normal trade terms granted to the Group are cash - 120 days credit (2023: cash - 120 days credit) from invoice date or the first day of the immediate following month after purchases invoice date, whichever applicable.

29. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<i>Non-Current</i>				
Sundry payable	758,388	714,517	758,388	714,517
<i>Current</i>				
Advance payment from customers	1,349,111	1,367,070	-	-
Amount due to directors	51,323	17,500	-	-
Accruals	13,332,867	10,651,331	141,003	146,533
Deposit received	302,782	144,582	-	-
Sales tax/goods and services tax payable	1,049,198	1,325,469	-	-
Sundry payables	1,472,273	1,601,511	1,467	1,480
	17,557,554	15,107,463	142,470	148,013
	18,315,942	15,821,980	900,858	862,530



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (a) The amount due to directors is unsecured, interest-free and repayable on demand.
- (b) Included in sundry payables of the Group is an amount of RM 10,000 (2023: RM 4,543) unpaid for the purchase of property, plant and equipment (Note 39(a)).
- (c) The non-current sundry payable of the Group and of the Company is repayable in year 2026 and measured at amortised cost at an imputed rate of 5.6% (2023: 5.6%) per annum.

30. REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of transformer, industrial lighting and related products	220,163,244	222,137,256	-	-
Rendering of maintenance services	454,967	308,106	-	-
Sales of healthcare related products	75,732	144,851	-	-
Sales of aluminium of die casting works	10,815,631	13,384,259	-	-
	231,509,574	235,974,472	-	-
Revenue from Other Sources				
Dividend income	-	-	7,948,800	8,936,500
Management fee income	-	-	2,415,187	2,332,797
	-	-	10,363,987	11,269,297
	231,509,574	235,974,472	10,363,987	11,269,297



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

30. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 41(b) to the financial statements.
- (b) Revenue from:-
 - (i) Sales of transformer, industrial lighting and related products;
 - (ii) Rendering of maintenance services;
 - (iii) Sales of healthcare related products; and
 - (iv) Sales of aluminium of die casting works

are recognised at a point in time when goods have been delivered and accepted by customers or when the Group satisfies the performance obligation at a point in time when the significant acts have been completed as the services are provided.

- (c) Revenue is measured based on the price specified in the contract, net of trade discount and the estimated volume discounts based on aggregate sales by four quarter period in a year. Accumulated sales achieved by the customer are used to provide for the discounts, based on different sales target offered by different promotion campaign. The estimated volume discounts considered is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.
- (d) The information of the revenue from other sources is summarised below:-

Dividend income

Dividend income is recognised when the right to receive dividend payment is established.

Management fee income

Management fee income is recognised in the period in which the services are rendered.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31. FINANCE COSTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest on:-				
Bank overdraft	-	199	-	-
Hire purchase	29,990	49,023	-	-
Imputed interest on a long-term payable	43,871	39,788	43,871	39,788
Lease liabilities	80,096	185,114	-	-
Revolving credit	7,430	-	-	-
Term loans	676,945	528,397	-	-
Trade bills	4,712	4,665	-	-
	843,044	807,186	43,871	39,788
Commitment fee	35,619	47,032	-	4,500
	878,663	854,218	43,871	44,288

32. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses:- (Note 43.1(b)(iii))				
- trade receivables	-	777,476	-	-
- amount due from associates	677,701	-	-	-
Reversal of impairment losses:- (Note 43.1(b)(iii))				
- trade receivables	(480,457)	(261,056)	-	-
	197,244	516,420	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

33. PROFIT BEFORE TAX

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax is arrived at after charging:-				
Auditors' remuneration:-				
– audit fee:-				
– current financial year	369,472	366,321	100,000	100,000
– underprovision in the previous financial year	4,045	6,836	-	2,000
– non-audit fee:-				
– auditors of the Company	5,000	4,200	5,000	4,200
– other auditors	9,749	9,226	-	-
Bad debts written off	19,123	48,674	-	-
Depreciation:-				
– investment properties	559,328	218,193	-	-
– property, plant and equipment	8,069,283	7,729,819	-	-
– right-of-use assets	2,114,379	2,084,448	-	-
Impairment loss:-				
– investments in subsidiaries	-	-	1,779,269	2,370,995
Property, plant and equipment written off	117,432	140	-	-
Loss on disposal of property, plant and equipment	-	469,519	-	-
Loss on foreign exchange:-				
– unrealised	1,708,407	-	-	-
Short-term lease expenses	580,336	741,866	-	-
Rental expenses	261,052	115,997	-	-
Research and development expenses	8,326,263	7,037,982	-	-
Share of loss of associate	42,003	100,160	-	-
Write-down of inventories	2,068,538	1,055,771	-	-
Write-off of inventories	-	85,450	-	-
Lost of inventories	76	4,290	-	-
Profit before tax is arrived at after (crediting):-				
Total interest income of financial assets measured at fair value through profit or loss (other investments)	(349)	-	-	-
Total interest income of financial assets measured at amortised cost	(258,152)	(121,127)	-	-
Deposit forfeited	(15,000)	-	-	-
Distribution from trust funds (other investments)	(1,239,277)	(871,438)	-	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily (other investments)	(3,720,569)	(2,171,432)	-	-
Gain on disposal of investment property	(7,751,845)	-	-	-
Gain on disposal of property, plant and equipment	(12,860)	-	-	-
Gain on disposal of other investments	(718,587)	-	-	-
Gain on modification of leases	(8,700)	-	-	-
Gain on strike off of subsidiary	(592,208)	(1,138,720)	-	-
Gain on foreign exchange:-				
– realised	(2,226,089)	(1,680,140)	-	-
– unrealised	-	(2,112,297)	-	-
Government grants	(341,517)	(461,401)	-	-
Rental income	(1,016,080)	(219,680)	-	-
Reversal of impairment loss of investment in subsidiary	-	-	-	(63,000)
Reversal of write-down of inventories	(729,130)	(28,338)	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

34. DIRECTORS' REMUNERATION

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Company</u>				
Executive Directors:-				
Fees	10,833	10,833	-	-
Salaries, bonuses and other benefits	4,210,999	4,270,899	1,381,917	1,329,339
Defined contribution plan	318,000	314,604	113,712	113,604
	4,539,832	4,596,336	1,495,629	1,442,943
Benefits-in-kind	52,067	47,175	33,850	33,850
	4,591,899	4,643,511	1,529,479	1,476,793
Non-executive Directors:-				
Fees	279,363	266,060	279,363	266,060
Salaries, bonuses and other benefits	9,000	9,000	9,000	9,000
	288,363	275,060	288,363	275,060
	4,880,262	4,918,571	1,817,842	1,751,853
<u>Directors of the subsidiaries</u>				
Fees	28,113	28,113	-	-
Salaries, bonuses and other benefits	4,233,596	4,329,538	-	-
Defined contribution plan	327,344	318,118	-	-
	4,589,053	4,675,769	-	-
Benefits-in-kind	37,750	37,750	-	-
	4,626,803	4,713,519	-	-
Total Directors' Remuneration	9,507,065	9,632,090	1,817,842	1,751,853



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

35. EMPLOYEE BENEFITS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors' Remuneration (excluding benefits-in-kind) (Note 34)	9,128,885	9,272,105	1,495,629	1,442,943
Other Staff Costs				
Wages, salaries and bonuses	43,947,730	42,225,452	684,868	663,175
Defined contribution plan	3,489,075	3,293,330	47,380	44,841
Other benefits	6,529,540	6,902,363	20,207	9,338
	53,966,345	52,421,145	752,455	717,354
Total Staff Costs	63,095,230	61,693,250	2,248,084	2,160,297

36. TAX EXPENSE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Components of tax expense				
Current tax expense:-				
– Malaysian income tax	5,785,433	5,660,862	-	-
– Foreign income tax	56,106	129,412	-	-
Deferred tax expense relating to (reversal)/origination of temporary differences	(675,864)	375,693	-	-
Withholding tax	194,880	193,650	194,880	193,650
(Over)/Underprovision in prior years:-				
– current tax	(218,061)	(17,048)	-	-
– deferred tax	(168,501)	64,692	-	-
	4,973,993	6,407,261	194,880	193,650
Real property gains tax	1,098,687	-	-	-
	6,072,680	6,407,261	194,880	193,650



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to the profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company is as follow:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(b) Reconciliation of tax expense				
Profit before tax	28,373,029	27,358,331	5,533,829	6,019,822
Tax at statutory income tax rate of 24%	6,809,527	6,566,356	1,328,000	1,445,000
Tax effect of:-				
– different tax rates of foreign subsidiaries	(33,822)	(170,917)	-	-
– non-deductible expenses	1,905,032	1,078,051	506,000	647,000
– non-taxable income	(3,238,297)	(1,566,643)	(1,908,000)	(2,160,000)
Reinvestment capital allowance	-	(83,000)	-	-
Deferred tax assets not recognised during the year	1,885,385	617,504	74,000	68,000
Difference in tax rate on capital gain	(1,860,443)	-	-	-
Utilisation of deferred tax assets previously not recognised	(301,707)	(275,384)	-	-
Withholding tax	194,880	193,650	194,880	193,650
Real property gains tax	1,098,687	-	-	-
(Over)/Underprovision in prior years:-				
– current tax	(218,061)	(17,048)	-	-
– deferred tax	(168,501)	64,692	-	-
	<u>6,072,680</u>	<u>6,407,261</u>	<u>194,880</u>	<u>193,650</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36. TAX EXPENSE (CONT'D)

- (c) At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses of Malaysian entities:-				
– expires year of assessment 2029	3,675,000	3,718,000	-	-
– expires year of assessment 2030	1,400,000	1,717,000	-	-
– expires year of assessment 2031	1,976,000	2,430,000	404,000	404,000
– expires year of assessment 2032	2,251,000	2,315,000	222,000	222,000
– expires year of assessment 2033	2,627,000	2,627,000	226,000	226,000
– expires year of assessment 2034	929,000	929,000	267,000	267,000
– expires year of assessment 2035	1,311,000	-	311,000	-
Unused tax losses of foreign entities	4,844,000	4,766,000	-	-
Unabsorbed capital allowances	6,004,000	4,568,000	-	-
Unutilised reinvestment allowances	991,000	991,000	-	-
	26,008,000	24,061,000	1,430,000	1,119,000

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, the unutilised reinvestment allowances are allowed to be utilised for 7 consecutive years of assessment, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

37. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Ordinary Share

The basic earnings per ordinary share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2024 RM	2023 RM
Profit after tax attributable to owners of the Company	22,054,009	19,780,090
	Units	Units
Weighted average number of ordinary shares in issue	233,352,109	229,302,436
Basic earnings per ordinary share (sen)	9.45	8.63

(b) Diluted Earnings Per Ordinary Share

The diluted earnings per ordinary share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares and adjusted for the effects of dilutive potential ordinary shares.

	The Group	
	2024 RM	2023 RM
Profit after tax attributable to owners of the Company	22,054,009	19,780,090
	Units	Units
Weighted average number of ordinary shares in issue for basic earnings per share	233,352,109	229,302,436
Shares deemed to be issued for no consideration:- Employees' share options in issue	774,170	678,924
Weighted average number of ordinary shares in issue for diluted earnings per share	234,126,279	229,981,360
Diluted earnings per ordinary share (sen)	9.42	8.60



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

38. DIVIDENDS

	The Group and The Company	
	2024 RM	2023 RM
In respect of the financial year ended 30 June 2024		
An interim single-tier dividend of 1.4 sen per ordinary share	3,212,811	-
A share dividend on the basis of one (1) treasury share for every forty (40) existing ordinary shares held in the Company	3,892,316	-
In respect of the financial year ended 30 June 2023		
An interim single-tier dividend of 1.8 sen per ordinary share	-	4,127,101
	7,105,127	4,127,101

On 16 July 2024, the Company declared a special tax-exempt single-tier dividend of RM0.015 per ordinary share in respect of the financial year ending 30 June 2025, subsequently paid on 21 August 2024 to the shareholders whose names appeared in the Company's Record of Depositors on 1 August 2024.

39. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2024 RM	2023 RM
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 9)	6,315,627	12,139,824
Less: Finance via hire purchase (Note (b) below)	(155,000)	(182,400)
Less: Unpaid balance included in sundry payables (Note 29)	(10,000)	(4,543)
Add: Deposit paid for future purchase (Note 18(a))	-	20,000
Less: Deposit made in previous financial year	(20,000)	-
Add: Cash paid in respect of acquisition in previous financial year	4,543	1,760,669
Cash paid during the financial year	6,135,170	13,733,550
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 12)	-	4,095,417
Less: Addition of new lease liabilities (Note 26)	-	(3,769,216)
	-	326,201



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

	Revolving credit RM	Term loans RM	Lease liabilites RM	Hire purchase payables RM	Total RM
The Group – 2024					
At 1 July 2023	-	15,827,900	2,162,824	600,418	18,591,142
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	1,000,000	-	-	-	1,000,000
Repayment of principal	-	(4,124,352)	(1,887,166)	(429,280)	(6,440,798)
Repayment of interests	(7,430)	(676,945)	(80,096)	(29,990)	(794,461)
	992,570	(4,801,297)	(1,967,262)	(459,270)	(6,235,259)
<u>Non-cash Changes</u>					
New hire purchase (Note 39(a))	-	-	-	155,000	155,000
Reassessment / Modification of leases	-	-	55,849	-	55,849
Derecognition due to lease modification	-	-	(209,956)	-	(209,956)
Interest expense recognised in profit or loss (Note 31)	7,430	676,945	80,096	29,990	794,461
	7,430	676,945	(74,011)	184,990	795,354
Exchange differences	-	-	21,939	(3,740)	18,199
	7,430	676,945	(52,072)	181,250	813,553
At 30 June 2024	1,000,000	11,703,548	143,490	322,398	13,169,436



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:- (Cont'd)

	Term loans RM	Lease liabilites RM	Hire purchase payables RM	Total RM
The Group – 2023				
At 1 July 2022	12,500,090	355,511	974,957	13,830,558
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	5,525,000	-	-	5,525,000
Repayment of principal	(2,197,190)	(1,938,536)	(560,705)	(4,696,431)
Repayment of interests	(528,397)	(185,114)	(49,023)	(762,534)
	2,799,413	(2,123,650)	(609,728)	66,035
<u>Non-cash Changes</u>				
Acquisition of new leases	-	3,769,216	-	3,769,216
New hire purchase (Note 39(a))	-	-	182,400	182,400
Reassessment / Modification of leases	-	24,512	-	24,512
Interest expense recognised in profit or loss (Note 31)	528,397	185,114	49,023	762,534
	528,397	3,978,842	231,423	4,738,662
Exchange differences	-	(47,879)	3,766	(44,113)
	528,397	3,930,963	235,189	4,694,549
At 30 June 2023	15,827,900	2,162,824	600,418	18,591,142



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

39. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024 RM	2023 RM
Payment of short-term leases	580,336	741,866
Interest paid on lease liabilities	80,096	185,114
Payment of lease liabilities	1,887,166	1,938,536
	2,547,598	2,865,516

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	27,201,174	38,173,291	510,722	489,197
Fixed deposits with licensed banks (Note 22)	17,943	354,438	-	-
	27,219,117	38,527,729	510,722	489,197
Less: Fixed deposits pledged to licensed banks	(17,943)	(17,539)	-	-
	27,201,174	38,510,190	510,722	489,197

40. RELATED PARTY DISCLOSURES

(a) Holding Company, Subsidiaries and Ultimate Controlling Party

The holding company is disclosed in Note 2 to the financial statements.

The subsidiaries are disclosed in Note 7 to the financial statements.

The ultimate controlling party of the Group is disclosed in Note 3 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

40. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiaries				
- Management fee income	-	-	(2,415,187)	(2,332,797)
- Dividend income	-	-	(7,948,800)	(8,936,500)
Associates				
- Sale of goods	(307,219)	(801,015)	-	-
- Purchase of goods	-	140,146	-	-
Other directors' interest				
- Sale of goods	-	(86,669)	-	-
- Purchase of goods	280,999	215,317	-	-
- Short-term lease expenses	438,046	390,453	-	-
- Payment of lease liabilities	1,571,753	1,673,585	-	-
- Interest paid on lease liabilities	54,932	151,157	-	-
- Imputed interest on long term trade receivables	(45,694)	(37,355)	-	-
Director				
- Short-term lease expenses	9,000	9,000	-	-
- Rental expenses	9,000	-	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

40. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of Key Management Personnel

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits	9,333,463	9,458,520	2,231,839	2,148,476
Defined contribution plan	672,464	658,254	140,832	139,136
	10,005,927	10,116,774	2,372,671	2,287,612
Included in the total key management personnel compensation are:-				
– Directors of the Group and of the Company (excluding benefits-in-kind) (Note 34)	9,471,248	9,547,165	1,783,992	1,718,003
– Other key management personnel:-				
Short-term employee benefits	561,559	544,077	561,559	544,077
Defined contribution plan	27,120	25,532	27,120	25,532
	588,679	569,609	588,679	569,609
	10,059,927	10,116,774	2,372,671	2,287,612

The remuneration of key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

41. OPERATING SEGMENTS

(a) 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.

(b) Geographical Information

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

The Group	Revenue		Non-Current Assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	120,013,237	116,973,409	115,323,980	123,694,714
People's Republic of China	35,886,692	40,346,987	12,129,580	14,068,630
Other countries	75,609,645	78,654,076	7,007,419	7,367,972
Consolidated	231,509,574	235,974,472	134,460,979	145,131,316

The information on the disaggregation of revenue based on geographical region is summarised below:-

The Group – 2024	At A Point in Time RM	Over Time RM	Total RM
Malaysia	120,013,237	-	120,013,237
People's Republic of China	35,886,692	-	35,886,692
Other countries	75,609,645	-	75,609,645
Consolidated	231,509,574	-	231,509,574

The Group – 2023	At A Point in Time RM	Over Time RM	Total RM
Malaysia	116,973,409	-	116,973,409
People's Republic of China	40,346,987	-	40,346,987
Other countries	78,654,076	-	78,654,076
Consolidated	235,974,472	-	235,974,472

(c) Major Customers

There is no single customer that contributed 10% or more to the Group's revenue.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

42. CAPITAL COMMITMENTS

	The Group	
	2024	2023
	RM	RM
Purchase of property, plant and equipment	970,804	688,000

43. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

43.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Chinese Renminbi ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	USD RM	SGD RM	RMB RM	Others RM	RM RM	Total RM
2024						
<u>Financial Assets</u>						
Trade receivables	5,849,896	4,096,127	14,314,277	1,948,222	39,344,282	65,552,804
Other receivables	-	166,958	608,373	52,456	198,096	1,025,883
Amount due from associates	-	-	146,314	-	-	146,314
Amount due from related parties	-	-	-	-	2,025,163	2,025,163
Cash and bank balances	480,680	6,995,194	10,315,082	1,810,426	7,599,792	27,201,174
	6,330,576	11,258,279	25,384,046	3,811,104	49,167,333	95,951,338
<u>Financial Liabilities</u>						
Lease liabilities	-	(111,229)	(3,374)	-	(28,887)	(143,490)
Borrowings	-	-	-	(29,855)	(12,996,091)	(13,025,946)
Trade payables	(83,488)	(404,736)	(10,752,572)	(297,537)	(1,426,271)	(12,964,604)
Other payables and accruals	-	(352,219)	(2,940,695)	(245,888)	(12,076,049)	(15,614,851)
Amount due to related parties	-	-	(33,278)	-	(114,584)	(147,862)
	(83,488)	(868,184)	(13,729,919)	(573,280)	(26,641,882)	(41,896,753)
Net financial assets	6,247,088	10,390,095	11,654,127	3,237,824	22,525,451	54,054,585
Less : Net financial (assets) denominated in the respective entities' functional currency	-	(5,539,517)	(11,654,127)	(2,509,495)	(22,525,451)	(42,228,590)
Currency exposure	6,247,088	4,850,578	-	728,329	-	11,825,995



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	USD RM	SGD RM	RMB RM	Others RM	RM RM	Total RM
2023						
<u>Financial Assets</u>						
Trade receivables	5,620,635	4,587,543	17,539,986	1,919,065	41,670,768	71,337,997
Other receivables	-	17,677	702,359	41,356	199,045	960,437
Amount due from associates	-	-	694,312	-	-	694,312
Amount due from related parties	-	-	3,858	-	2,217,913	2,221,771
Cash and bank balances	6,707,162	11,185,608	7,689,117	2,541,077	10,050,327	38,173,291
	12,327,797	15,790,828	26,629,632	4,501,498	54,138,053	113,387,808
<u>Financial Liabilities</u>						
Lease liabilities	-	(231,191)	(1,592,452)	-	(339,181)	(2,162,824)
Borrowings	-	-	-	(70,586)	(16,357,732)	(16,428,318)
Trade payables	(2,302,664)	(282,981)	(11,969,912)	(147,916)	(2,195,784)	(16,899,257)
Other payables and accruals	-	(326,316)	(3,087,447)	(301,091)	(9,270,005)	(12,984,859)
Amount due to related parties	-	-	(42,552)	-	(126,500)	(169,052)
	(2,302,664)	(840,488)	(16,692,363)	(519,593)	(28,289,202)	(48,644,310)
Net financial assets	10,025,133	14,950,340	9,937,269	3,981,905	25,848,851	64,743,498
Less : Net financial (assets) denominated in the respective entities' functional currency	-	(5,251,665)	(9,937,269)	(2,550,085)	(25,848,851)	(43,587,870)
Currency exposure	10,025,133	9,698,675	-	1,431,820	-	21,155,628



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	RMB RM	Others RM	RM RM	Total RM
2024				
<u>Financial Assets</u>				
Dividend receivable	1,753,920	-	-	1,753,920
<u>Financial Liabilities</u>				
Amount due to subsidiaries	-	(942,013)	(18,222,243)	(19,164,256)
Net financial assets/(liabilities)	1,753,920	(942,013)	(18,222,243)	(17,410,336)
Less: Net financial liabilities denominated in the Company's functional currency	-	-	18,222,243	18,222,243
Currency exposure	1,753,920	(942,013)	-	811,907
2023				
<u>Financial Liabilities</u>				
Amount due to subsidiaries	-	(942,013)	(18,695,438)	(19,637,451)
Net financial (liabilities)	-	(942,013)	(18,695,438)	(19,637,451)
Less: Net financial liabilities denominated in the Company's functional currency	-	-	18,695,438	18,695,438
Currency exposure	-	(942,013)	-	(942,013)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Effects on Profit After Tax				
USD / RM				
- strengthened by 5%	237,389	380,955	-	-
- weakened by 5%	(237,389)	(380,955)	-	-
SGD / RM				
- strengthened by 5%	184,322	368,550	-	-
- weakened by 5%	(184,322)	(368,550)	-	-
RMB / RM				
- strengthened by 5%	-	-	66,649	-
- weakened by 5%	-	-	(66,649)	-
Others / RM				
- strengthened by 5%	27,676	54,409	(35,796)	(35,796)
- weakened by 5%	(27,676)	(54,409)	35,796	35,796

There is no impact on the Group's and the Company's equity.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed below:-

	The Group	
	2024	2023
	RM	RM
Floating rate instruments		
Term loans	11,703,548	15,827,900

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	2023
	RM	RM
Effects on Profit After Tax		
Increase of 50 basis points	(52,212)	(42,622)
Decrease of 50 basis points	52,212	42,622

There is no impact on the Group's equity.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including associates and related parties), net of loss allowance, at the end of the reporting period is as follows:-

	The Group	
	2024	2023
	RM	RM
By country:-		
Malaysia	41,636,195	44,345,864
People's Republic of China	12,528,236	17,055,107
Singapore	3,920,059	4,435,862
Other countries	9,639,791	8,417,247
	<hr/>	<hr/>
	67,724,281	74,254,080

At the end of the reporting period, the Group does not have any significant credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 - 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including associates and related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The expected loss rates are based on the payment profiles of sales over 24 months (2023: 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates for certain subsidiaries were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate as the key macroeconomic factor of the forward-looking information for certain subsidiaries. However, the historical loss rates of remaining subsidiaries were not adjusted as they have not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade receivables</u>			
Balance at 1 July 2022	938,305	2,346,322	3,284,627
Additions (Note 32)	345,480	431,996	777,476
Reversals (Note 32)	-	(261,056)	(261,056)
Written off	-	(34,903)	(34,903)
Exchange difference	(25,483)	23,038	(2,445)
<hr/>			
Balance at 30 June 2023/ 1 July 2023	1,258,302	2,505,397	3,763,699
Additions (Note 32)	-	677,701	677,701
Transfer between credit impaired and non-credit impaired	(123,870)	123,870	-
Reversals (Note 32)	(265,432)	(215,025)	(480,457)
Exchange difference	15,349	(37,046)	(21,697)
<hr/>			
Balance at 30 June 2024	884,349	3,054,897	3,939,246



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2024				
Current (not past due)	56,445,785	-	-	56,445,785
1 to 30 days past due	7,285,615	-	-	7,285,615
31 to 60 days past due	1,921,709	-	-	1,921,709
61 to 90 days past due	537,394	-	-	537,394
More than 91 days past due	873,624	-	(2,383)	871,241
Credit impaired	4,599,400	(3,054,897)	(881,966)	662,537
Trade receivables	71,663,527	(3,054,897)	(884,349)	67,724,281
Contract assets	49,566	-	-	49,566
	71,713,093	(3,054,897)	(884,349)	67,773,847
2023				
Current (not past due)	60,326,158	-	-	60,326,158
1 to 30 days past due	9,419,875	-	-	9,419,875
31 to 60 days past due	1,888,412	-	-	1,888,412
61 to 90 days past due	800,860	-	-	800,860
More than 91 days past due	1,349,977	-	(2,383)	1,347,594
Credit impaired	4,232,497	(2,505,397)	(1,255,919)	471,181
Trade receivables	78,017,779	(2,505,397)	(1,258,302)	74,254,080
Contract assets	342,329	-	-	342,329
	78,360,108	(2,505,397)	(1,258,302)	74,596,409

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Other Receivables

The Group and the Company apply the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Due from Subsidiaries (Trade and Non-trade Balances)

The Company also applies the 3-stage general approach to measure expected credit losses for all inter-company balances.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Due from Subsidiaries (Trade and Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company uses 3 categories to reflect its credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company considers amounts due from subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of amounts due when they are payable, the Company considers the amounts due to be in default when the subsidiaries are not able to pay when demanded.

For amounts due that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the amounts due are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

No expected credit loss is recognised on both trade and non-trade amounts due from subsidiaries at the end of the reporting period as there was no indication that the amount owing is not recoverable.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:-

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practice prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
2024						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	12,964,604	12,964,604	12,964,604	-	-
Other payables and accruals	5.6	15,614,851	15,696,463	14,856,463	840,000	-
Amount due to related parties	-	147,862	147,862	147,862	-	-
Lease liabilities	2.7 - 6.9	143,490	146,479	145,330	1,149	-
Borrowings:-						
– Hire purchase payables	3.6 - 6.9	322,398	340,280	239,857	100,423	-
– Term loans	4.7 - 5.0	11,703,548	14,815,682	1,668,853	6,123,498	7,023,331
– Revolving credit	4.5	1,000,000	1,000,000	1,000,000	-	-
		41,896,753	45,111,370	31,022,969	7,065,070	7,023,331

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024



43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM	Over 5 Years RM
2023						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	16,899,257	16,899,257	16,899,257	-	-
Other payables and accruals	5.6	12,984,859	13,110,342	12,270,342	840,000	-
Amount due to related parties	-	169,052	169,052	169,052	-	-
Lease liabilities	2.7 - 6.9	2,162,824	2,237,812	1,938,238	299,574	-
Borrowings:-						
– Hire purchase payables	3.6 - 6.9	600,418	624,311	422,987	201,324	-
– Term loans	4.6	15,827,900	20,958,813	1,825,362	8,351,901	10,781,550
		48,644,310	53,999,587	33,525,238	9,692,799	10,781,550



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1-5 Years RM
2024					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	5.6	900,858	982,470	142,470	840,000
Amount due to subsidiaries	-	19,164,256	19,164,256	19,164,256	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	-	6,065,000	6,065,000	-
		20,065,114	26,211,726	25,371,726	840,000
2023					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	5.6	862,530	988,013	148,013	840,000
Amount due to subsidiaries	-	19,637,451	19,637,451	19,637,451	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	-	5,433,000	5,433,000	-
		20,499,981	26,058,464	25,218,464	840,000

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 Capital Risk Management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are not presented as their cash and cash equivalents exceeded the total external borrowings.

43.3 Classification of Financial Instruments

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investments	112,561,268	76,462,045	-	-
<u>Amortised Cost</u>				
Trade receivables	65,552,804	71,337,997	-	-
Other receivables	1,025,883	960,437	-	-
Amount due from subsidiaries	-	-	8,497,999	6,175,803
Amount due from associates	146,314	694,312	-	-
Amount due from related parties	2,025,163	2,221,771	-	-
Dividend receivable	-	-	1,753,920	-
Fixed deposits with licensed banks	17,943	354,438	-	-
Cash and bank balances	27,201,174	38,173,291	510,722	489,197
	95,969,281	113,742,246	10,762,641	6,665,000
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities	143,490	2,162,824	-	-
Borrowings	13,025,946	16,428,318	-	-
Trade payables	12,964,604	16,899,257	-	-
Other payables and accruals	15,614,851	12,984,859	900,858	862,530
Amount due to subsidiaries	-	-	19,164,256	19,637,451
Amount due to related parties	147,862	169,052	-	-
	41,896,753	48,644,310	20,065,114	20,499,981



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 Gains or Losses Arising from Financial Instruments

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:-				
– mandatorily required by MFRS 9	5,678,782	3,042,870	-	-
<hr/>				
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(1,470,577)	1,866,413	-	-
<hr/>				
Financial Liabilities				
<u>Amortised Cost</u>				
Net (losses) recognised in profit or loss	(1,039,089)	(1,005,269)	(43,871)	(39,788)
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024



43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximate their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total	
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Fair Value RM	Carrying Amount RM
The Group								
2024								
Financial Assets								
Trade receivable (Note 17(a))	-	-	-	-	-	2,249,167	2,249,167	2,343,318
Other investments	-	112,561,268	-	-	-	-	112,561,268	112,561,268
Amount due from a related party (Note 13(a))	-	-	-	-	-	2,043,145	2,043,145	2,025,163
Financial Liabilities								
Other payable (Note 29)	-	-	-	-	-	735,607	735,607	758,388
Term loans	-	-	-	-	11,703,548	-	11,703,548	11,703,548
Hire purchase payables	-	-	-	-	323,593	-	323,593	322,398



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 Fair Value Information (Cont'd)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2023								
<u>Financial Assets</u>								
Trade receivable (Note 17(a))	-	-	-	-	-	2,886,948	2,886,948	3,039,992
Other investments	-	76,462,045	-	-	-	-	76,462,045	76,462,045
Amount due from a related party (Note 13(a))	-	-	-	-	-	2,230,164	2,230,164	2,217,913
<u>Financial Liabilities</u>								
Other payable (Note 29)	-	-	-	-	-	688,191	688,191	714,517
Term loans	-	-	-	-	15,827,900	-	15,827,900	15,827,900
Hire purchase payables	-	-	-	-	614,166	-	614,166	600,418
The Company								
2024								
<u>Financial Liability</u>								
Other payable (Note 29)	-	-	-	-	-	735,607	735,607	758,388
2023								
<u>Financial Liability</u>								
Other payable (Note 29)	-	-	-	-	-	688,191	688,191	714,517



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-

The fair values of other investments are determined directly by reference to statements provided by the respective financial institution, with which the investments were entered into.

- (ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair values of the Group's trade receivable and amount due from a related party are calculated based on the present value of the projected repayment instalments using discount rates equal to the current market interest rates.
- (ii) The fair value of the Group's and the Company's other payable is determined by discounting the future contractual cash flow using current market interest rate for similar instruments at the end of the reporting period. The interest rate used to discount the estimated cash flow is 6.9% (2023: 6.9%).
- (iii) The fair value of the Group's term loans that carrying floating interest rates approximate their carrying amount as they are repriced to market interest rates on or near the reporting date.
- (iv) The fair value of the Group's hire purchase payables that carry fixed interest rates is determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows ranging from 3.3% - 6.8% (2023: 3.6% - 6.9%).

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 30 November 2023, ASB, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose its leasehold agriculture land measuring approximately 4.43 hectares held under H.S.(D) 69446, Lot No. PT 2086, Mukim Bandar Kundang, Daerah Gombak, Negeri Selangor, for a total cash consideration of RM 13,351,554. The disposal was completed on 20 May 2024.
- (b) On 3 May 2024, the Company's dormant direct subsidiary, BIHM was being struck off.
- (c) During the financial year, the issued and paid-up share capital of the Company has been increased by RM420,990 pursuant to the issuance of 565,600 new ordinary shares from the exercise of options under the Company's ESOS.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

45. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Since the end of the current financial year up to the date of this report, the issued and paid-up share capital of the Company has been increased by RM 183,842 pursuant to the issuance of 247,000 new ordinary shares from the exercise of options under the Company's ESOS.

46. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As previously reported RM	The Group As restated RM
Statements of Financial Position (Extract):-		
<u>Current assets</u>		
Trade receivables	69,178,164	69,184,681
Other receivables, deposits and prepayments	7,773,334	7,700,314
Amount due from related parties	355,057	226,560
Current tax assets	7,082,685	7,103,053
<u>Current liabilities</u>		
Trade payables	16,181,803	16,899,257
Amount due to related parties	886,506	169,052
Current tax liabilities	290,540	115,908
Statements of Profit or Loss and Other Comprehensive Income (Extract):-		
Cost of sales	(163,211,560)	(163,357,517)
Selling and distribution expenses	(16,115,229)	(16,796,749)
Administrative expenses	(34,990,893)	(34,163,416)
Statements of Cash Flows (Extract):-		
Net cash from operating activities	47,187,758	44,149,553
Net cash for investing activities	(11,744,405)	(25,394,716)
Net cash for financing activities	(5,201,609)	(5,205,963)



LIST OF PROPERTIES

The summary of the information on the top 10 properties of the STC Group is as follows:

Location/ Postal Address	Description/ Existing use	Land Area/ Built Up Area	Tenure (years)	Age of Buildings (years)	Carrying Amount as at 30.06.2024 RM	Date of Revaluation/ Acquisition
1. Title No. Geran 205577 Lot 19042, Seksyen 20, Bandar Rawang. <i>Address</i> Lot. 102, Jalan Industri 3/4, Taman Industri Integrasi Rawang, 48000 Rawang, Selangor Darul Ehsan.	Industrial premises comprising a 1-storey factory/ warehouse/ office building annexed with a guardhouse	24,490 square meters / 16,444 square meters	Freehold	26	9,421,027 (Land) 9,133,331 (Building)	7 September 2011
2. Title No. HSD 283454 PT 689, HSD 283453 PT 690 and HSD 283455 PT691, Pekan Subang, District of Petaling, State of Negeri Selangor.	Leasehold Industrial land	4,045 square meters / 4,046 square meters / 2,697 square meters	Leasehold interest for 99 years expiring on 18 July 2111, leaving an unexpired term of about 87 years	N/A	8,247,051 (Land)	25 March 2013
3. Title No. Geran 209009, Lot 10468, Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor.	Freehold Industrial land	11,456 square metres	Freehold	N/A	8,323,680 (Land)	28 December 2021
4. Title No. PM 1272 (Formerly HSM 7615), Lot No. 30890 (Formerly Lot P.T. No. 20047), Locality of Bt 16 Jalan Subang, Mukim of Sungai Buloh, District of Petaling, State of Selangor. <i>Address</i> No. 7, Jalan TSB 8, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.	Industrial premises comprising a 4-storey detached factory/ warehouse/ office building with one basement level and a guardhouse	4,213 square metres / 11,051 square metres	Leasehold interest for 99 years expiring on 24 March 2091, leaving an unexpired term of about 67 years	22	1,031,897 (Land) 6,986,098 (Building)	31 December 2009



LIST OF PROPERTIES (CONT'D)

Location/ Postal Address	Description/ Existing use	Land Area/ Built Up Area	Tenure (years)	Age of Buildings (years)	Carrying Amount as at 30.06.2024 RM	Date of Revaluation/ Acquisition
5. Title No. Geran 209014, Lot 10473, Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor. <i>Address</i> No. 6, Jalan Kamunting 3, Seksyen BB 6, Bandar Bukit Beruntung, 48300 Rawang, Selangor.	Industrial premises comprising a single storey factory with an integral 2-storey warehouse annexed with a guardhouse	5,224 square metres/ 1,647 square metres	Freehold	17	3,600,000 (Land) 4,199,693 (Building)	16 June 2022
6. Title No. GRN 19765, Lot 821, Mukim of Pasir Panjang, District of Port Dickson, State of Negeri Sembilan.	Agriculture Land	83,972 square metres	Freehold	N/A	6,294,399 (Land)	16 February 2015
7. Title No. PM 1304 (Formerly HSM 7554), Lot 30614 (Formerly Lot P.T. No. 19971), Locality of Bt 16 Jalan Subang, Mukim of Sungai Buloh, District of Petaling, State of Selangor. <i>Address</i> No. 9, Jalan TSB 9, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.	Industrial premises comprising two 1 ½ storey factory/ warehouse/ office annexed with a guardhouse	4,435 square metres/ 2,376 square metres	Leasehold interest for 99 years expiring on 24 March 2091, leaving an unexpired term of about 67 years	25	3,579,390 (Land) 2,804,244 (Building)	20 September 2010
8. Title No. GM5407 Lot 1578 Mukim Ulu Yam, Title No. GM5687 Lot 1475 Mukim Ulu Yam, Title No. GM6309 Lot 1476 Mukim Ulu Yam, and Title No. GM6226 Lot 1474 Mukim Ulu Yam.	Industrial land	12,773, 15,555, 13,279 and 16,946 square metres	Freehold	N/A	5,340,513 (Land)	21 February 2011



LIST OF PROPERTIES (CONT'D)

Location/ Postal Address	Description/ Existing use	Land Area/ Built Up Area	Tenure (years)	Age of Buildings (years)	Carrying Amount as at 30.06.2024 RM	Date of Revaluation/ Acquisition
9. Title No. Geran 209013, Lot 10472, Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor.	Freehold Industrial land	6,561 square metres	Freehold	N/A	4,760,279 (Land)	28 December 2021
10. Title No. PM 1414 (Formerly HSM 7617), Lot 30892 (Formerly Lot P.T. No. 20049), Locality of Bt 16 Jalan Subang, Mukim of Sungai Buloh, District of Petaling, State of Selangor.	Industrial premises comprising a single-storey factory with an integral 2-storey office and a 2-storey office annexed with a guardhouse	4,214 square metres/ 4,054.76 square metres	Leasehold interest for 99 years expiring on 24 March 2091, leaving an unexpired term of about 67 years	28	1,410,050 (Land) 2,686,093 (Building)	31 December 2009
<p><i>Address</i> No. 3, Jalan TSB 8, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.</p>						

The above list of properties only disclosed the top 10 properties in terms of highest net book value as at the end of financial year ended.



ANALYSIS OF SHAREHOLDINGS AS AT 1 OCTOBER 2024

SHARE CAPITAL

Total number of issued shares (inclusive of treasury shares) : 253,156,600
 Class of shares : Ordinary shares
 Voting Rights : One vote per ordinary share

A) DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	# No. of Shares	% of Shareholdings
Less than 100	613	14.46	24,149	0.01
100 to 1,000	493	11.63	160,829	0.07
1,001 to 10,000	1,582	37.32	7,764,929	3.29
10,001 to 100,000	1,343	31.68	39,986,874	16.95
100,001 to less than 5% of issued shares	207	4.89	79,994,613	33.90
5% and above of issued shares	1	0.02	108,012,601	45.78
TOTAL	4,239	100.00	235,943,995	100.00

Note:

Excluding 17,212,605 shares bought back and retained by the Company as treasury shares.

B) LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct Interest		Indirect/Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Omega Attraction Sdn. Bhd. ("OASB")	108,012,601	45.78	-	-
2.	Tan Ah Bah @ Tan Ah Ping	214,532	0.09	108,227,133 ⁽¹⁾	45.87
3.	Pan Kim Foon	214,532	0.09	108,227,133 ⁽¹⁾	45.87

Note:

⁽¹⁾ Deemed interest by virtue of his/her shareholdings in OASB pursuant to Section 8(4) of the Companies Act 2016 and by virtue of his/her spouse's direct interest in the Company.



ANALYSIS OF SHAREHOLDINGS (CONT'D) AS AT 1 OCTOBER 2024

C) LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		Indirect/Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Tan Ah Bah @ Tan Ah Ping	214,532	0.09	108,227,133 ⁽¹⁾	45.87
2.	Tan Chung Ling	158,854	0.07	-	-
3.	Dato' Tan Wei Neng	92,455	0.04	22,826 ⁽²⁾	0.01
4.	Dato' Yeoh Kim Wah	1,074,402	0.46	-	-
5.	Tan Chung Chiah	7,145,787	3.03	-	-
6.	Tan Chung Chay	-	-	-	-
7.	Chan Foong Ping	-	-	-	-
8.	Datuk Ir. Kamarudin Bin Md Derom	-	-	-	-

Notes:

⁽¹⁾ Deemed interest in OASB pursuant to Section 8(4) of the Companies Act 2016 and by virtue of his spouse's direct interest in the Company.

⁽²⁾ Deemed interest by virtue of his spouse's direct interest in the Company.

D) LIST OF TOP 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Omega Attraction Sdn. Bhd.	108,012,601	45.778
2	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)</i>	9,000,250	3.814
3	Tan Chung Chiah	7,145,787	3.028
4	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cheng Hee Long (Kuchai L-CL)</i>	2,788,102	1.181
5	Ding Huong Kai	2,716,250	1.151
6	Cartaban Nominees (Asing) Sdn. Bhd. <i>The Bank Of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund</i>	2,061,920	0.873
7	Goh Thong Beng	2,050,000	0.868
8	Affin Hwang Nominees (Asing) Sdn. Bhd. <i>DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa</i>	1,750,000	0.741
9	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Choon Beng</i>	1,637,600	0.694
10	Tan Lee Hwa	1,560,700	0.661



ANALYSIS OF SHAREHOLDINGS (CONT'D) AS AT 1 OCTOBER 2024

D) LIST OF TOP 30 LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
11	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Yee Hui</i>	1,230,000	0.521
12	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt an for Dbs Bank Ltd (SFS)</i>	1,141,952	0.483
13	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Family Takaful Berhad (Dana Ekuiti)</i>	1,069,200	0.453
14	Yeoh Kim Wah	918,460	0.389
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teoh Hui Peng (8076778)</i>	840,000	0.356
16	Chee Sai Mun	811,870	0.344
17	Sam Tuck Wah	790,275	0.334
18	Margarte Yuen	788,225	0.334
19	Leong Wai Hong	748,000	0.317
20	Public Invest Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yoong Kah Yin (C)</i>	731,000	0.309
21	Tan Chun Yee	675,250	0.286
22	Susy Ding	650,025	0.275
23	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for Phillip Capital Management Sdn. Bhd.</i>	625,625	0.265
24	Poh Chuan Swee	580,000	0.245
25	Tay Boon Pok	570,000	0.241
26	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Family Takaful Berhad (Syariah Seimbg)</i>	531,400	0.225
27	Dynaquest Sdn. Bhd.	512,500	0.217
28	Lim Ka Kian	500,000	0.211
29	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Life Insurance Berhad (Growth)</i>	495,800	0.210
30	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Etiqa Family Takaful Berhad (Family)</i>	467,000	0.197



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the Broadcast Venue at the Conference Room, No. 5, Jalan TSB 8, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 11:00 a.m. using the remote participation and voting facilities for the following purposes:-

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve the payment of Directors' fees amounting to RM 310,000/- for the financial year ending 30 June 2025 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. **(Ordinary Resolution 1)**
3. To approve an amount up to RM18,000/- as benefits payable to Non-Executive Directors of the Company for the period from 4 December 2024 to the Twenty-First Annual General Meeting of the Company to be held in year 2025 pursuant to Section 230(1)(b) of the Companies Act 2016. **(Ordinary Resolution 2)**
4. To re-elect the following Directors who are retiring in accordance with Clause 90 of the Company's Constitution and being eligible, have offered themselves for re-election: -
 - i) Datuk Ir. Kamarudin Bin Md Derom; **(Ordinary Resolution 3)**
 - ii) Dato' Tan Wei Neng; and **(Ordinary Resolution 4)**
 - iii) Ms. Tan Chung Ling. **(Ordinary Resolution 5)**
5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

SPECIAL BUSINESS

To consider and if thought fit, with or without modifications, to pass the following Ordinary Resolutions:-

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **(Ordinary Resolution 7)**

"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being; **AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 9 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities; **AND** be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Ordinary Resolution 8)**

"**THAT**, subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**STC Group**") to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of STC Group ("**Related Parties**") as described in the Circular/Statement to Shareholders dated 30 October 2024 ("**Recurrent RPTs**") provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment to the minority shareholders of the Company,

("RRPT Mandate").

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by shareholders in a general meeting;

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (Ordinary Resolution 9)

"**THAT**, subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which such resolution was passed, at which time the authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things and to take all such steps as they may deem fit, appropriate, expedient or necessary in the best interest of the Company to give full effect to the proposed renewal of share buy-back authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the interest of the Company."



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO ALLOT AND ISSUE (Ordinary Resolution 10) NEW ORDINARY SHARES IN THE COMPANY ("STC SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT SCHEME ("DRS") THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDENDS IN NEW STC SHARES ("PROPOSED RENEWAL OF DRS AUTHORITY")**

"THAT pursuant to the DRS as approved by the shareholders at the Extraordinary General Meeting of the Company held on 21 November 2016 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Directors to allot and issue such number of new STC Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions as stated in the Circular to Shareholders dated 4 November 2016, **PROVIDED THAT** the issue price of the said new STC Shares shall be fixed by the Directors at a discount of not more than ten per centum (10%) to the five (5)-day volume weighted average market price ("**VWAMP**") of STC Shares immediately preceding the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors of the Company be authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the DRS as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, or by the Directors as they may in their absolute discretion, deem fit and in the best interest of the Company."

10. To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)

TAN LOO EE (SSM PC No.: 201908002686) (MAICSA 7063694)

Company Secretaries

Selangor Darul Ehsan

30 October 2024



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:-

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2024

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 3 of the Agenda – Benefits payable to Non-Executive Directors

The proposed Ordinary Resolution 2, if approved, will authorise the payment of benefits to the Non-Executive Directors by the Company. The benefits payable to the Non-Executive Directors for the period from 4 December 2024 to the Twenty-First Annual General Meeting ("AGM") of the Company to be held in year 2025 are derived from the estimated meeting allowance of RM500/- per meeting day based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, and number of Non-Executive Directors involved in the meetings.

In the event the proposed benefits payable are insufficient (e.g. due to additional meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Item 4 of the Agenda – Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the Twentieth AGM of the Company, the Board through Nomination Committee had reviewed and assessed each of the retiring Directors based on the annual assessment and evaluation of the Board for the financial year ended 30 June 2024, including the fit and proper assessment.

Based on the results of the assessment and evaluation, the Board is satisfied with the performance, contributions and independence (for Datuk Ir. Kamarudin Bin Md Derom) of the retiring Directors and supports the re-election based on their ability to meet the Board's expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company and exercise of due care and carrying out of professional duties proficiently as well as level of independence demonstrated by the Independent Non-Executive Director, where relevant.

The retiring Directors have consented to their re-election and abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

4. Item 6 of the Agenda – Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue and allot shares pursuant to the Act at the Twentieth AGM of the Company ("**General Mandate**").

The Company had been granted a general mandate of not more than ten per centum (10%) of the total number of issued shares of the Company for the time being by its shareholders at the Nineteenth AGM of the Company held on 5 December 2023 ("**Previous Mandate**"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate.

The proposed Ordinary Resolution 7, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment project(s), working capital, acquisition(s) and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares). This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85(1) of the Act read together with Clause 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 7, if passed, will exclude the shareholders' pre-emptive rights to be offered new shares to be issued by the Company pursuant to the said Ordinary Resolution.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:- (Cont'd)

5. Item 7 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will provide a renewal mandate for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the STC Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular/Statement to Shareholders dated 30 October 2024 for further information.

6. Item 8 of the Agenda – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 9, if passed, would empower the Directors of the Company to purchase the Company's ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the Company's retained profits based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

Please refer to the Circular/Statement to Shareholders dated 30 October 2024 for further information.

7. Item 9 of the Agenda – Proposed Renewal of Authority for the Company to Allot and Issue Shares pursuant to the DRS

The proposed Ordinary Resolution 10, if passed, would empower the Directors of the Company to allot and issue new STC Shares in the Company in respect of dividends to be declared, if any, under the DRS. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company.

Notes:-

- (a) The Twentieth AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using the remote participation and voting ("RPV") facilities via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the AGM for the procedures to register, participate and vote remotely at the Twentieth AGM through the RPV facilities.
- (b) In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the Broadcast venue of the meeting in Malaysia. The Broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the Broadcast venue on the day of the AGM.
- (c) In respect of deposited securities, only members whose names appear in the Record of Depositors on 26 November 2024 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- (d) A member entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote instead of him/her at the same meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:- (Cont'd)

- (f) Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.
- (g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (h) **Appointment of Proxy(ies)**

The appointment of proxy(ies) may be made either in a hard copy form or by electronic means in the following manner and shall be deposited with the Company's Share Registrar, not less than forty-eight (48) hours before the time appointed for holding the Twentieth AGM or at any adjournment thereof:-

Mode of submission

Designated Address

- Hard copy
Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, or alternatively

Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
- Electronic means
TIIH Online
Weblink : <https://tiih.online>.

(Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online)

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SUCCESS TRANSFORMER CORPORATION BERHAD

[Registration No. 200301034518 (636939-W)]
(Incorporated in Malaysia)

PROXY FORM

I/We
(NAME IN FULL AND IN BLOCK LETTERS)

NRIC No./Passport No./Registration No Contact No.

of
(FULL ADDRESS)

being a member/members of SUCCESS TRANSFORMER CORPORATION BERHAD ("the Company"), hereby appoint:-

Full Name (IN BLOCK LETTERS)	NRIC No./Passport No.
Full Address	

or failing him/her,

Full Name (IN BLOCK LETTERS)	NRIC No./Passport No.
Full Address	

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twentieth Annual General Meeting ("AGM") of the Company to be conducted on a virtual basis through live streaming from the Broadcast Venue at the Conference Room, No. 5, Jalan TSB 8, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 11:00 a.m. using the remote participation and voting ("RPV") facilities or any adjournment thereof.

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

No.	Ordinary Resolutions	For	Against
1.	Payment of Directors' fees		
2.	Payment of benefits payable to the Non-Executive Directors		
3.	Re-election of Datuk Ir. Kamarudin Bin Md Derom		
4.	Re-election of Dato' Tan Wei Neng		
5.	Re-election of Ms. Tan Chung Ling		
6.	Re-appointment of Messrs. Crowe Malaysia PLT		
7.	Authority to issue shares pursuant to the Companies Act 2016		
8.	Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
9.	Proposed renewal of share buy-back authority		
10.	Proposed renewal of authority for the Company to allot and issue shares pursuant to the Dividend Reinvestment Scheme		

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:-

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

CDS Account No.	
Number of Ordinary Shares Held	
Mobile No.	

Signed this day of 2024

Signature of Shareholder(s) or Common Seal

STAMP

SUCCESS TRANSFORMER CORPORATION BERHAD

[Registration No. 200301034518 (636939-W)]

The Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

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Notes:-

- The Twentieth Annual General Meeting of the Company will be held as a virtual meeting through live streaming and online remote voting using the remote participation and voting ("RPV") facilities via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the AGM for the procedures to register, participate and vote remotely at the Twentieth AGM through the RPV facilities.
- In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the Broadcast venue of the meeting in Malaysia. The Broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM. No member(s) and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) will be allowed to be physically present nor enter the Broadcast venue on the day of the AGM.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 26 November 2024 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- A member entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote instead of him/her at the same meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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Electronic means

TIIH Online
Weblink : <https://tiih.online>.

(Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online)

Please glue and seal along this edge

Accreditations & Certifications

UKAS accredited ISO 9001 Quality Management System

UKAS accredited ISO 14001 Environmental Management System

ASTA Certificate of Complete Type Tests

Compliance with Electromagnetic Compatibility (EMC) certified by TÜV SÜD and SIRIM QAS International

Compliance with Low Voltage Directive (LVD) certified by TÜV SÜD and SIRIM QAS International

Product Type Testing performed by TÜV SÜD and SIRIM QAS International for conformity assessment

SIRIM Product Type Test Certification for ballast, igniter, street lighting and floodlights

TISI Mark (Thai Industrial Standards Institute)

JKR Approval

TNB Approval

SAA Approval (Standards Association of Australian)

Forbes Best Under A Billion 2008/2009



ISO 9001:2015 BV UKAS



ISO 14001:2015 BV UKAS



ASTA Certificate



CE marking



CE marking for transformer



TÜV SÜD marking



SIRIM Certificate



TISI Mark
(Thai Industrial Standards Institute)



JKR Approval



TNB Approval



SAA Approval
(Standards Association of Australian)



Forbes 'Best Under A Billion'
2008/2009



SUCCESS TRANSFORMER CORPORATION BERHAD

(200301034518) (636939-W)

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