



**SUCCESS TRANSFORMER
CORPORATION BERHAD**

(200301034518) (636939-W)



*Unleashing
Infinite
Potential*



**ANNUAL
REPORT
2025**





Cover Rationale

The eagle is a powerful symbol of determination and resilience, embodying the spirit of steady progress and unwavering focus. As the eagle soars purposefully in the sky, our business vision is driven by the same motivation — advancing at the right pace and with relentless momentum to achieve our goals. This captivating cover design is intended to inspire creativity, ignite imagination, engage viewers, while demonstrating our pace in innovation and forward-thinking solutions.

The tagline 'Unleashing Infinite Potential' conveys the boundless opportunities that intelligent smart lighting can bring to the creation of smart cities. It unleashes the brilliance of innovative solutions, enhancing the quality of life and illuminating a brighter, interconnected future.

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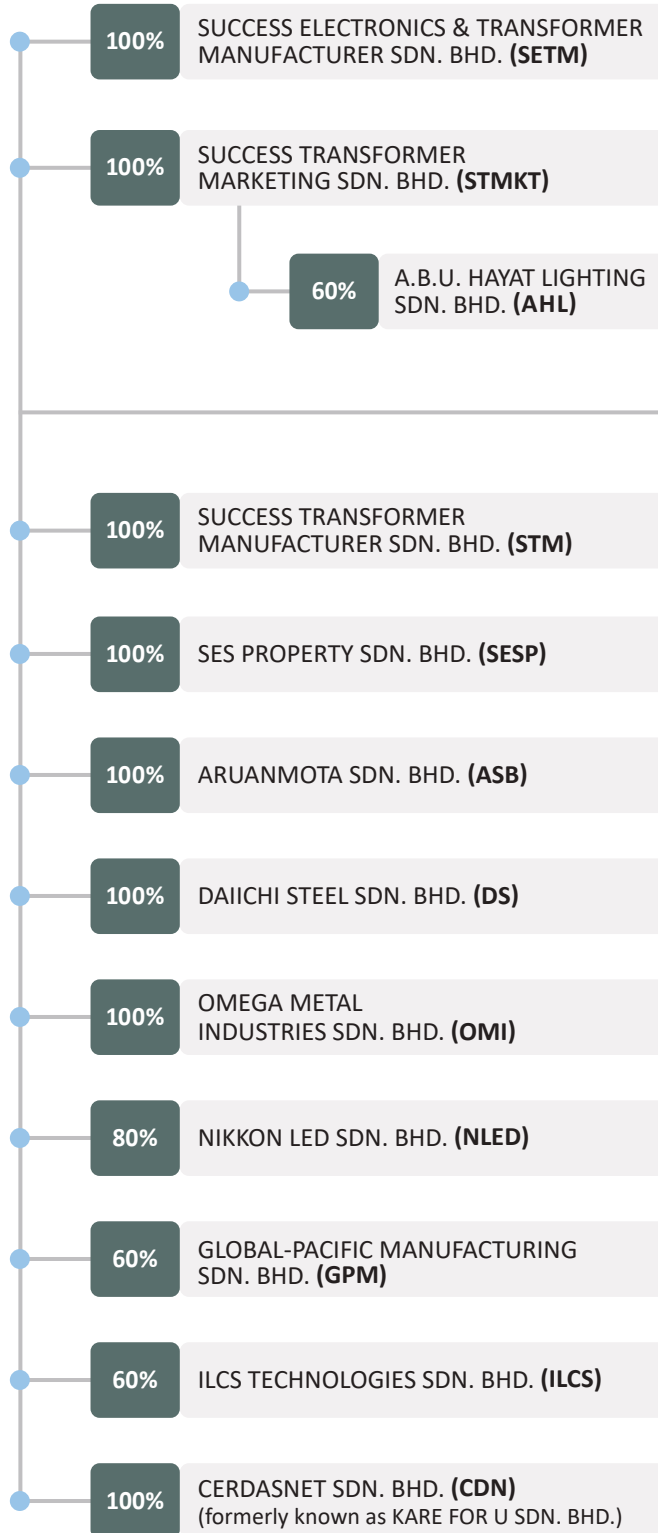
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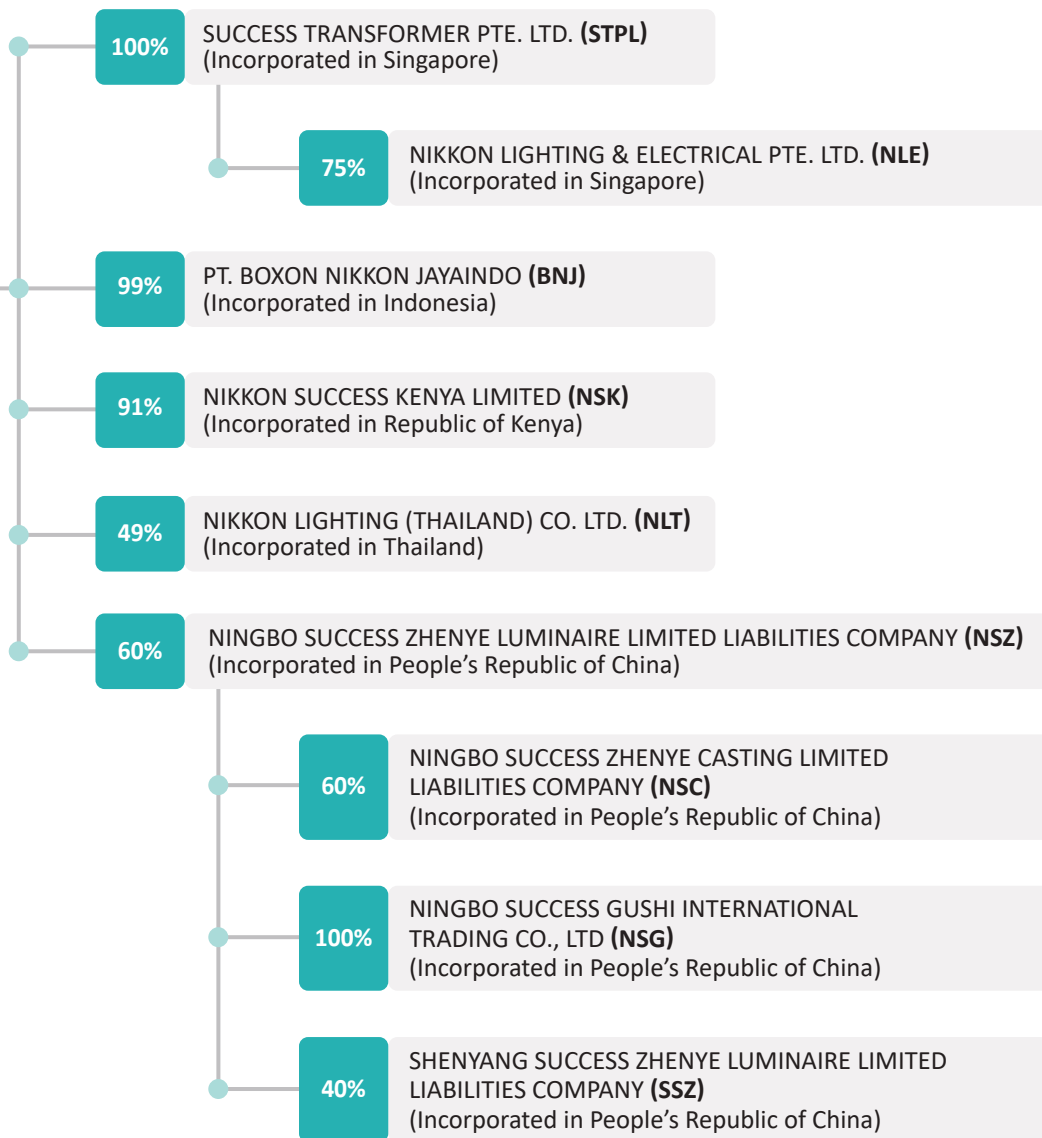
Corporate Structure



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)

Chin Mun Yee
(MAICSA 7019243)
(SSM PC No.: 201908002785)

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, 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

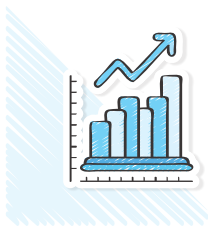
PRINCIPAL BANKERS

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

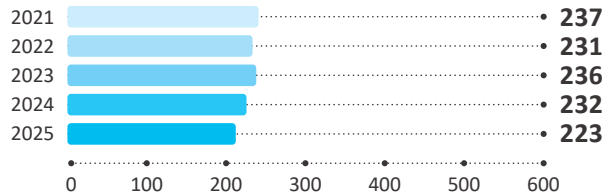
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

5 Years Financial Highlight as at 30 June



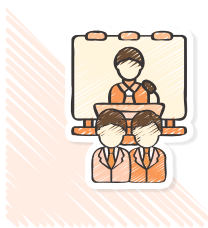
REVENUE (RM' MILLION)



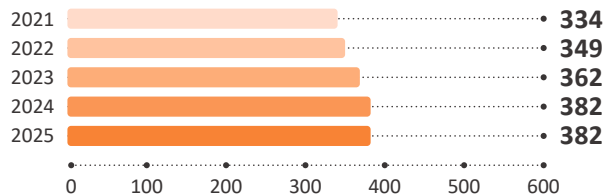
REVENUE

30 June 2025

223
(RM' MILLION)



SHAREHOLDERS' EQUITY (RM' MILLION)



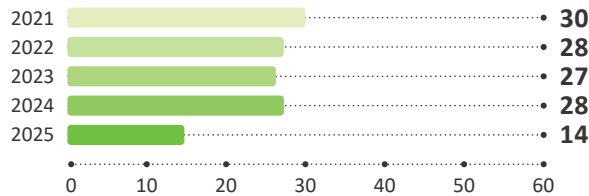
SHAREHOLDERS' EQUITY

30 June 2025

382
(RM' MILLION)



PBT (RM' MILLION)



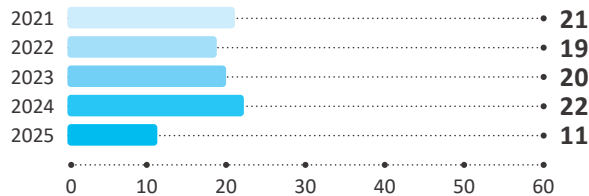
PBT

30 June 2025

14
(RM' MILLION)



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



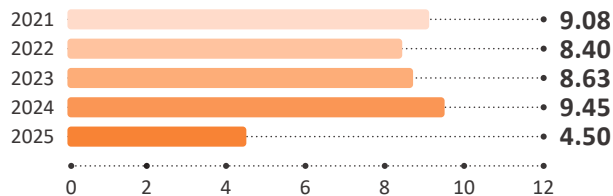
PAT ATTRIBUTABLE TO OWNERS OF THE COMPANY

30 June 2025

11
(RM' MILLION)



EPS (SEN)



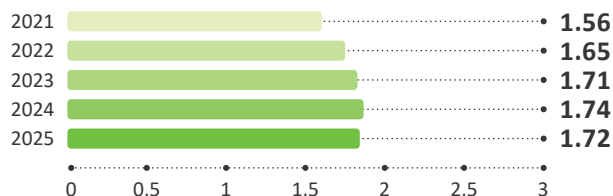
EPS

30 June 2025

4.50
(SEN)



NTA PER SHARE (RM)



NTA PER SHARE

30 June 2025

1.72
(RM)

Directors and Key Senior Management Profile

Independent Non-Executive Chairman Datuk Ir. Kamarudin Bin Md Derom

Age: 67 | **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 roles 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: 74 | **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 father-in-law of Mr. Chang Kam Kuan, a Key Senior Management of STC.

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: 48 | **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 the Executive Director of STC and redesignated as Deputy Managing Director on 28 July 2017, a position where 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 Madam Pan Kim Foon, both of whom are substantial shareholders of the Company.

She is the sister of Ms. Tan Chung Chay (Deputy Managing Director of STC) and Ms. Tan Chung Chiah (Alternate Director to Mr. Tan Ah Bah @ Tan Ah Ping). She is also the spouse of Mr. Chang Kam Kuan, who is a Key Senior Management of STC.

Executive Director Dato' Tan Wei Neng

Age: 52 | **Gender:** Male | **Nationality:** Malaysian
Date appointed to Board: 30 November 2015

Dato' Tan Wei Neng was appointed as Chief Operating Officer (COO) and Executive Director of STC on 30 November 2015. He also serves as the Director for several subsidiaries of STC. He is also a member of the ESOS Committee.

He is a distinguished Chartered Accountant and an esteemed Member of the Malaysia Institute of Accountants ("MIA") since 2001.

He graduated with 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). He was conferred an Honorary Doctor of Business Administration (DBA) by The Sabi University, France.

Dato' Tan was bestowed with the Darjah Setia Pangkuan Negeri (DSPN) of State Title by the Governor of the State of Penang, Malaysia. He is also an Honorary Fellow of The Association of Professional Managers and Entrepreneurs, UK.

He stands as a seasoned corporate leader and a finance professional with a remarkable career spanning over 27 years. He gained vast experiences in financial management, corporate exercises, taxation management, international trade and business development across diverse industries, and spearheaded the business development for STC.

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: 44 | **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 holds a Bachelor of Commerce in Finance and Marketing from Curtin University of Technology, Australia and an MBA in Finance from the University of Southern Queensland, Australia. In 2025, she completed the Global Chief Strategy Officer programme on strategic leadership with the National University of Singapore (NUS).

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 currently the Head of Business Development, for the ASEAN region and plays crucial role in expanding local and overseas markets.

She is the daughter of Mr. Tan Ah Bah @ Tan Ah Ping, the Managing Director of STC and Madam Pan Kim Foon, both of whom are substantial shareholders of the Company.

She is the sister of Ms. Tan Chung Ling (Deputy Managing Director of STC) and Ms. Tan Chung Chiah (Alternate Director to Mr. Tan Ah Bah @ Tan Ah Ping). She is also the sister-in-law of Mr. Chang Kam Kuan, who is a Key Senior Management of STC.

Independent Non-Executive Director Chan Foong Ping

Age: 54 | **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 Chairperson of the Audit Committee, Remuneration Committee, Nomination Committee and ESOS Committee.

Ms. Chan graduated with a Bachelor Degree in Accountancy from Universiti Putra Malaysia in 1995. She is a Chartered Accountant and member of MIA.

She commenced her career as an accountant at a subsidiary of Lion Group in 1998. Prior to that, she had 3 years of audit experience with Deloitte Kuala Lumpur.

From 2000 to 2011, she was attached to Phillips Foods, 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 the financial management system of the 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 and acquisitions, as well as corporate development as a 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.

Directors and Key Senior Management Profile (Cont'd)

Non-Independent Non-Executive Director Dato' Yeoh Kim Wah

Age: 72 | **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.

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.

Alternate Director to Tan Ah Bah @ Tan Ah Ping Tan Chung Chiah

Age: 41 | **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 (a former Director of STC) from 21 October 2015 to 29 June 2020. She was subsequently 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 Practicing Accountant by profession. She is a Chartered Accountant and member of 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 is also the director of NSZ, a subsidiary of STC 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 Madam Pan Kim Foon, both of whom are substantial shareholders of the Company.

She is the sister of Ms. Tan Chung Ling and Ms. Tan Chung Chay (Deputy Managing Directors of STC). She is also the sister-in-law of Mr. Chang Kam Kuan, who is a Key Senior Management of STC.

Directors and Key Senior Management Profile (Cont'd)

KEY SENIOR MANAGEMENT

Technical Director Chang Poay Hee

Age: 67 | **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.

Group Financial Controller Lo Chiow Lieh

Age: 45 | **Gender:** Male | **Nationality:** Malaysian

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

He began his public practice with one of the international accounting firm 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.

Director Chang Kam Kuan

Age: 49 | **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 oversee the overall functionality of new products' designs, testing, development and productions 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 in 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 a 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. He is also the son-in-law of Mr. Tan Ah Bah @ Tan Ah Ping, the Managing Director of STC and Madam Pan Kim Foon, both of whom are the substantial shareholders of the Company. He is also the brother-in-law of Ms. Tan Chung Chay (Deputy Managing Director of STC) and Ms. Tan Chung Chiah (Alternate Director of Mr. Tan Ah Bah @ Tan Ah Ping).

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 in Other Compliance Information at page 72.

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") 2025 (refer to page 53 for number of meetings attended by each director).

Management Discussion and Analysis



Overview of Group's Business and Operations

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 designing, manufacturing and distributing industrial lighting, transformers and electrical apparatus, with its main production facilities located in Malaysia and China.

Over the years, the Group has established several in-house brands that have earned the trust of customers worldwide. The Group continues to expand its client base in domestic and international markets, reinforcing its position as an industry leader in the low-voltage transformer market and establishing ourselves as a top provider of industrial lighting solutions. Apart from this, the Group also offers a one-stop solution for the aluminium die-casting industry through its subsidiary, Global-Pacific Manufacturing Sdn. Bhd.

In response to the growing global emphasis on environmental, social and governance ("ESG"), we continue to develop energy efficient products that help clients optimise operations, lower costs, reduce environmental impact and capitalise on ESG related opportunities.

Management Discussion and Analysis (Cont'd)

Vision

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

Mission

We are committed to maintaining the highest quality in all our products while embracing technology to drive innovation.

Transformer & Lighting Segment

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

• Manufacturing (major subsidiaries)

SETM - 100%

Design and manufacturing of LED industrial lighting, smart components, transformers and electrical apparatus

NSZ - 60%

Design, manufacturing and trading of industrial light fittings and fixtures

• Trading and Distribution

STMKT - 100%

Trading, sales and marketing of electrical products and industrial lighting

NLE - 75%

Marketing and distribution of industrial lighting and electrical apparatus

STPL - 100%

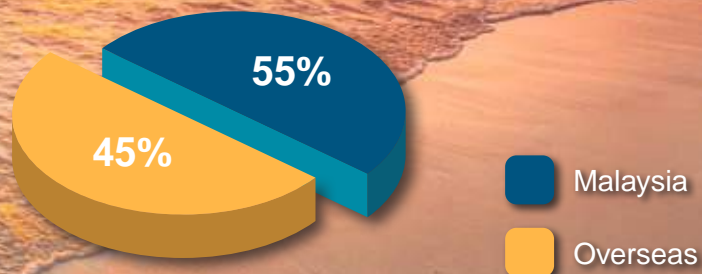
Investment holding and conducting businesses related to electrical, mechanical engineering and general contracting

BNJ - 99%

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 2025 is as follows:



Management Discussion and Analysis (Cont'd)

QPS[®]

Trusted Brand in Transformer

QPS specialises in designing transformers for data centers and UPS systems. Our technology is engineered to minimise power losses, resulting in energy savings and reduced carbon emissions. With a proven track record of successful projects worldwide, we provide high performance transformers that deliver sustainable solutions for data center infrastructure and other related industries.



Enhance power efficiency to meet overall system load performance. Capable of customising low voltage transformers up to 3MVA.



The compact data center transformer is designed to suppress noise and surges, manage power system harmonics and minimise system disturbances to enhance overall efficiency and stability.



Compliance with marine standard such as ABS, DNV, RMRS, NK, GL and Lloyds to meet performance in maritime environments.



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

INNOVATING CITIES THROUGH INTELLIGENT SMART LIGHTING

The iLCS platform is an advanced lighting management system that seamlessly integrates remote control, sensors and IoT devices to enhance municipal data collection and analysis. It provides municipalities with the flexibility to manage data, gather insights and control street lights remotely. With iLCS cloud management, operators can effortlessly oversee their lighting infrastructure anytime, anywhere.



Intelligent Light Control System



iLCS PLATFORM

The iLCS platform features a variety of application modules, each meticulously crafted to intuitively capture, process & display real-time data from the field.

TRIMAX
LED Street Light


iLCS Cloud

Web-based remote control management dashboard


Management Discussion and Analysis (Cont'd)

Financial Review


The key financial information and financial performance of the Group for FYE 2025 and FYE 2024 are as follows:



Statements of Profit or Loss and Other Comprehensive Income	2025 RM'000	2024 RM'000
Revenue	223,109	231,510
Profit Before Tax	13,850	28,373
Profit After Tax ("PAT")	9,894	22,300
PAT attributable to owners of the Company	10,620	22,054



Statements of Financial Position	2025 RM'000	2024 RM'000
Total Assets	454,512	456,441
Total Liabilities	47,634	46,770
Shareholders' Equity	382,070	381,546



Financial Indicators	2025	2024
Earnings Per Share (SEN)	4.50	9.45
Net Tangible Assets Per Share (RM)	1.72	1.74

Review of Financial Results and Financial Position

The Group recorded a revenue of RM223.11 million for the FYE 2025 as compared to RM231.51 million in the previous FYE 2024. 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 55% (FYE 2024: 52%) local sales and 45% (FYE 2024: 48%) overseas sales during the financial year.

The Group reported a PAT attributable to owners of the company of RM10.62 million for the FYE 30 June 2025, decreased by 52% as compared to previous year. This was mainly due to lower sales and lower gross profit margin recorded for the current financial year. The higher

PAT recorded in FYE 2024 was mainly due to the gain on disposal of investment property and higher gain on other investment. Earnings per share of the Group stood at 4.50 sen. The financial position of the Group remains strong. The Group's cash and cash equivalents have been improved from RM27.20 million to RM30.57 million as a result of higher net cash generated from operating activities.

Net tangible assets per share was decreased slightly from RM1.74 in FYE 2024 to RM1.72 in FYE 2025. The shareholders' equity for the Group increased from RM381.55 million to RM382.07 million, representing a growth of 0.1%. This increase was primarily contributed by profit during the year after dividend payout and gain on other investment.

Management Discussion and Analysis (Cont'd)

Review of Operating Activities

As part of our manufacturing strategy, we focus on several key areas, including operational excellence, enhancing internal capabilities and ensuring customer satisfaction. Central to our approach is identifying market potential which enables us to uncover new opportunities, strengthen our market presence and attract new customers. We aim to reach a wide audience by expanding our global distributor network.

A. Tapping into Market Potential for Business Growth

Our business strategy revolves around a proactive approach to identifying and pursuing projects that capitalise on our manufacturing strengths. We utilise our products to enhance industry marketing and drive sales. By responding swiftly, we leverage our broad expertise, resources and operational excellence to ensure successful execution. By focusing on these key elements, we deliver meaningful results that align with our goals and benefit our customers.

By remaining agile and receptive to new possibilities in rapidly changing markets, we are able to understand the diverse needs of different sectors and customers. This adaptability enables us to stay ahead of market trends, seize opportunities when arise and actively refine our strategies to align with these changes.

This approach is especially effective for projects that align with our expertise and capabilities. By leveraging our strengths, we can deliver satisfactory results and maximise value for all stakeholders involved. We are committed to building long-term, value-driven collaborations that foster mutual success and strengthen our relationships with municipalities, partners and customers. This can be achieved through joint networks, distributor channels, co-development initiatives and strategic brand marketing. These collaborations aim to achieve sustainable outcomes, ensuring that we can continue to drive growth while maintaining continuous improvement and exceptional service.

B. Driving Industrial Lighting Performance to New Heights

We are committed to advancing industrial lighting technology to its fullest potential. 'Driving Industrial Lighting Performance to New Heights' embodies our ongoing commitment to innovation and continuous improvement in our lighting products. For us, light is not just a product; it is a catalyst for change. We aim to foster a future that is both productive and environmentally responsible.

Every year, we concentrate on improving and enhancing our lighting solutions to provide superior performance while establishing high standards that meet the changing needs of the industrial sector. Each initiative we pursue contributes to a brighter, more sustainable future for businesses, the environment and the communities we serve.

By improving lighting performance, we enable industries to operate more efficiently, reduce carbon emissions and boost productivity. Our products focus on key societal challenges, such as energy efficiency and environmental sustainability, helping businesses stay competitive in a changing landscape. Consequently, we continue to strengthen our position as top provider in energy efficient lighting, further increasing our momentum in the industrial lighting sector.



Management Discussion and Analysis (Cont'd)

Review of Operating Activities (Cont'd)

"Business is about creating value, building strong relationships and continuously adapting to change. Every challenge presents an opportunity to refine our strategy and enhance our approach. The key to long-term growth lies in innovation, resilience, the ability to move forward and perseverance."

C. Maximising Transformers Production Capabilities

As experts in transformer manufacturing, we take a customer-centered approach that prioritises each client's unique requirements and specifications. Our state-of-the-art production facilities utilise foil winding technology, precise core assembly techniques and strict testing protocols to maintain the highest quality standards. In today's fast-paced market, we continually strengthen our competitive edge through innovation, responsiveness and reliability.

By combining a highly skilled workforce with state-of-the-art equipment, we are able to enhance both production capacity and output. We leverage our deep technical expertise and competencies to excel in short lead time projects. Through meticulous planning and robust supply chain management, we ensure seamless execution and on-time delivery. Our unwavering commitment is to help our clients achieve their objectives consistently, thereby reinforcing our market presence in the energy sector.

D. Providing Customer-Focused Solutions

Loyalty is built on the quality of support that customers receive throughout their entire experience with us. That's why we remain accessible at every stage, offering guidance and assistance from the initial inquiry through implementation and beyond.

After-sales service is vital to our offering, ensuring any post-installation concerns are resolved promptly and effectively. Whether it involves installation support, configuration issues, performing maintenance or managing product replacements, we prioritise delivering timely and efficient solutions. Our ultimate goal is to help customers maintain operations and minimise downtime.

By providing proactive after-sales support, we help our customers maximise the value of their investment and enhance the long-term durability of their systems. By consistently prioritising customer satisfaction and addressing their needs, we strengthen long-term relationships, build trust and improve customer retention. This approach naturally contributes to our growth and success.



Management Discussion and Analysis (Cont'd)

Review of Operating Activities (Cont'd)

Risk Management

The Group is exposed to competition risk, credit risk, economic risk, foreign currency exchange risk, operation risk and cybersecurity 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 67.

Dividends

We continue to reward our shareholders with dividends. In respect of the FYE 2025, the Company has paid the following dividends:

- (a) a tax-exempt single-tier special dividend of 1.5 sen per share, amounting to RM3,538,601.61 on 21 August 2024; and
- (b) a tax-exempt interim single-tier dividend of 1.6 sen per share, amounting to RM3,775,099.50 on 29 November 2024.

The total dividend declared was 3.1 sen per share, amounting to RM7,313,701.11 which equivalent to a dividend payout ratio of 74% of FYE 2025 net profit based on the PAT attributable to owners of the Company for FYE 2025.

The Company has not adopted a formal dividend policy. The payment of dividends will depend upon several factors, including the earnings, capital commitments, general financial conditions, distributable reserves and others considerations taken into account by the Board.

Outlook and Prospect

Global market uncertainties persist throughout 2025, driven by weakened consumer sentiment, inflationary pressures, geopolitical tensions and the revised tariff measures imposed by the United States. Consequently, businesses worldwide including those in Malaysia, must navigate and adapt to these challenging conditions.

At this juncture, the Group remains vigilant regarding the impact of the new tariffs on our business. Nonetheless, the Group will continue to strengthen its core business segments and search for new business opportunities that align with our strategy.

The Group remains focused on its core products, which include transformers, lighting and related products. Looking ahead, the rapid growth of data centres both locally and globally has helped increase demand for transformers. In addition, we are actively expanding our business into motorcycle spare parts and the aluminium die-casting industries.

Our Group's operations have improved in efficiency and cost-effectiveness, demonstrating our commitment to operational excellence. Our strategic initiatives continue to strengthen our market position and enhance financial performance.

Our Group also emphasises technological advancement in both our transformers and lighting divisions, which we expect to boost our performance in domestic and overseas markets through further expansion. Our team will continue to capitalise on these opportunities.

Barring any unforeseen circumstances, the Group remains optimistic and positive in achieving satisfactory results for the financial year ending 30 June 2026.

Sustainability Statement

Framework & Standards

This Sustainability Statement has been prepared in accordance with the key guidelines outlined in the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and with reference to the Global Reporting Initiative ("GRI") Standards.

Governance Structure

The Board of Directors of Success Transformer Corporation Berhad ("STC" or "Company") ("Board") recognises the importance of sustainable growth for STC and its local subsidiaries (collectively, "the Group"). While striving for long-term business performance, the Group places strong emphasis on sustainability across its operations. The Board holds primary responsibility for overseeing the Group's sustainability efforts, including setting objectives, formulating strategies and reviewing progress. In shaping the Group's direction, the Board integrates Economic, Environmental, Social and Governance ("EESG") elements. The Board also 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. It includes a steering committee comprised of Directors and Senior Management that has been established to oversee the sustainability management process.

The Board delegates to the RMSC the responsibility for identifying potential business and sustainability risks, assessing their significance and impact while implementing appropriate mitigation measures to manage these risks effectively. This includes developing risk controls, monitoring emerging risks and ensuring alignment with the Group's overall strategic objectives.

The RMSC is responsible for overseeing and guiding the Group's sustainability initiatives, particularly in response to significant sustainability issues. It prioritises identified material matters and collaborates with Management to evaluate the effectiveness of the measures, actions and strategies in place. The RMSC presents its findings and recommendations to the Audit Committee ("AC"), which are then submitted to the Board for further consideration.

A diagram of our governance structure is illustrated below:-



Scope of Disclosure

This Sustainability Statement reflects the Group's consideration of EESG factors in addressing key issues that may influence its operations. The Group adopts a proactive approach on risk mitigation and progressively identifies sustainability related challenges as part of its overall strategy planning. Through collaborative efforts, the Group aims to create value that support business growth while ensure long-term profitability and success.

This Sustainability Statement outlines the sustainability performance of STC and its subsidiaries in Malaysia for the financial year ended 30 June ("FYE") 2025.

Sustainability Statement (Cont'd)

Statement of Assurance

This Sustainability Statement has not been reviewed by an independent auditor in accordance with recognised assurance standards. However, selected data presented in this Sustainability Statement has been internally validated by the Internal Audit team and Management.

Our Materiality Assessment

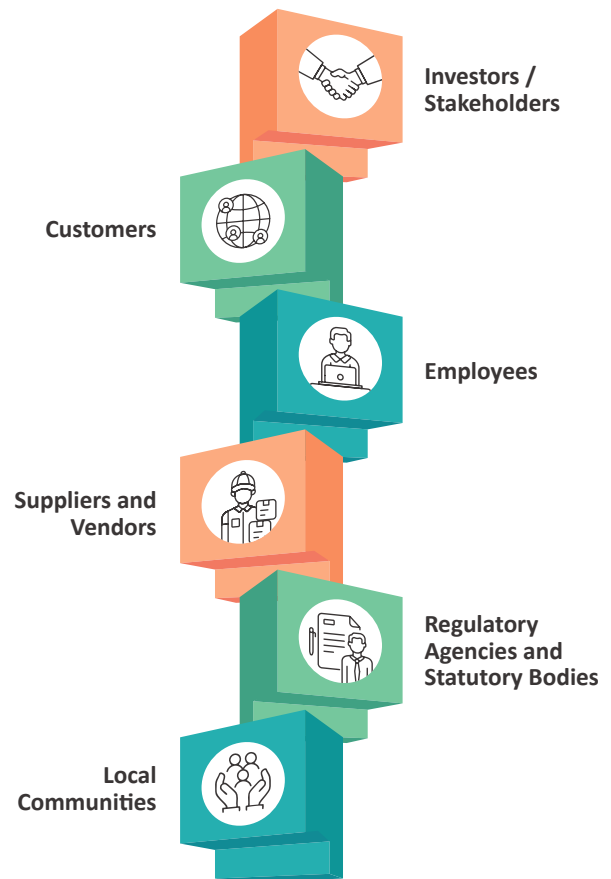
The Group identifies its key topics by evaluating their impact on stakeholder decision-making and their importance to the organisation. This assessment incorporates EESG aspects, along with current sustainability issues. During the RMSC meetings, the identified topics are discussed and prioritised. To enhance this process, we create questionnaires that foster engaging discussions among members and encourage the exchange of diverse perspectives and valuable insights.

The RMSC develops content aligned with specific topics and sustainability trends, with contributions from its members. It also oversees the implementation of sustainable development initiatives and monitors progress over the next few years. Additionally, the AC reviews the materiality matrix, provides feedback and insights, then submits its findings to the Board for approval following a thorough evaluation.

The steps undertaken to evaluate material matters



Stakeholders Engagement









The Board diligently upholds its fiduciary duties by proactively maintaining and sustaining relationships with external stakeholders. This process involves engaging a diverse range of parties, including investors, customers, employees, suppliers and vendors, regulators and local communities. By actively seeking to understand stakeholders' concerns and perspectives, the Board ensures that these insights are integrated into its decision-making processes, aligning with stakeholder expectations.

Sustainability Statement (Cont'd)









Stakeholders Engagement

We acknowledge the importance of maintaining ongoing engagement with our stakeholders. We employ various approaches to strengthen stakeholder engagement through general meetings, announcements, annual report and community events. Organise client meetings, roundtable dialogues and networking sessions is essential for cultivating strong business relationships. We engage effective collaboration with vendors to collectively achieve shared objectives.

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

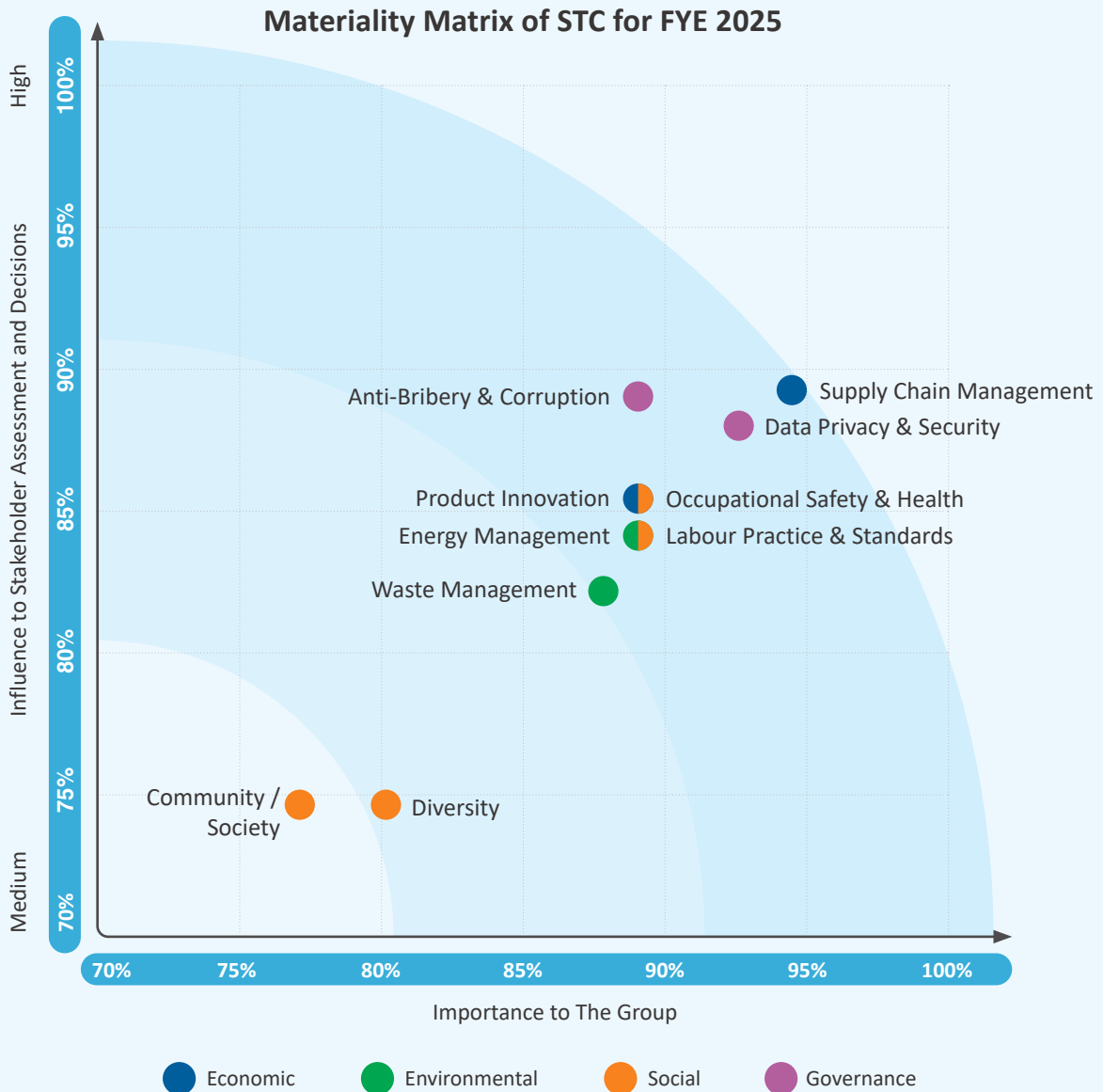
STAKEHOLDERS	AREAS OF INTERESTS	METHODS OF ENGAGEMENT
 Investors / Stakeholders	<ul style="list-style-type: none"> • Group's financial performance • Business strategy • Sustainability matters 	<ul style="list-style-type: none"> • Annual General Meeting • Annual reports • Quarterly reports • Announcement 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 and terms of payment 	<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 • Anti-Bribery and Corruption Policy ("ABC Policy")
 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' 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)

1.  Supply Chain Management	2.  Product Innovation	3.  Waste Management	4.  Energy Management
5.  Labour Practice & Standards	6.  Occupational Safety & Health	7.  Diversity	8.  Community / Society
9.  Anti-Bribery & Corruption	10.  Data Privacy & Security		

10 Material Topics

The Sustainability Statement identifies 10 material sustainability topics that are essential to our stakeholders and integral to the Group’s strategic direction, operational effectiveness and sustained growth. These priorities guide our decision-making and resource allocation, ensuring we respond effectively to evolving economic, environmental, social and governance matters.



Sustainability Statement (Cont'd)



ECONOMIC

Our economic strategy focuses on advancing sustainable growth that creates value for all our stakeholders. This strategy is based on the principle of balancing economic performance with environmental and social responsibility, ensuring that we contribute positively to the market and society.

As a manufacturer, our export activities are essential for boosting the nation's economy. By producing and exporting goods both locally and globally, we generate revenue, accelerate growth and pave the way toward sustainability. It also helps to create more jobs in the industry, enhance industrial competitiveness and encourage investment in local infrastructure.

Material Matters

- a) *Responsible and Ethical Sourcing*
- b) *Building Sustainable Procurement*
- c) *Business Ethics and Integrity*

SDGs



1. Supply Chain Management

Why It Matters?

Supply chain management is central to our operations and vital for sustaining growth. It ensures the efficient flow of materials, resources and information throughout the production process from sourcing raw materials to delivering finished products. A well-managed supply chain also supports our commitment to sustainability, ethical practices, responsible sourcing, waste reduction and effective operational control. Each year, we identify key material topics that form the foundation of our supply chain strategy, enabling us to continuously strengthen and enhance our approach.



Our Approach

a) Responsible and Ethical Sourcing

Our sourcing strategy centers on engaging and partnering with responsible suppliers and vendors. We prioritise those who can deliver high quality products while adhering to ethical business standards, including fair competition and labour practices. These partners take accountability for compliance and emphasise sustainability, along with environmental, health and safety considerations that impact society.

Their professionalism upholds the principle of integrity, ensuring they refrain from engaging in any form of bribery or corruption and do not seek to influence official actions. This approach enables the entire supply chain to operate effectively and continue driving positive change across industries.

Our team collaborates closely with suppliers to ensure that the products, from raw materials to finished goods, are thoroughly tested and comply with industry regulations and safety standards. We conduct site visits and evaluate selected suppliers based on their reliability and factors such as the material composition, consistency and durability of their products.

Moreover, we made a concerted effort in material planning to minimise environmental impact, ensure resource efficiency, and reduce waste throughout the entire process from sourcing to manufacturing. This approach also encourages the reuse of materials at the end of their lifecycle and promotes recycling.

Sustainability Statement (Cont'd)

b) Building Sustainable Procurement

Building sustainable procurement serves as the foundation and guidance by integrating environmental, governance and social factors of corporate responsibility into procurement processes and decision-making. As we prioritise in building sustainable procurement effort, it enhances our company's reputation among customers, stakeholders and investors who are increasingly looking for environmentally and socially responsible businesses.

We emphasise the importance of the supplier's code of conduct in our business transactions. Suppliers are required to meet the terms outlined in the supplier agreements in order to proceed. The code of conduct encompasses areas such as general safety and health of employees, social responsibility, fair labour practices, respect the basic of human rights and good governance.

We have established procurement policies and procedures to ensure that our core objectives are met while reinforcing our commitment to preventing bribery and corruption. Any form of corruption is strictly prohibited and will not be tolerated. Besides, we comply with relevant business laws, regulations and environmental compliance requirements. Additionally, we have implement measures to mitigate any potential external risks related to supply chains operations and its sustainability matters.

By optimising our delivery schedules and transportation routes, we ensure that shipments are more organised, reducing the number of trips required and minimising fuel consumption. Through efficient planning and well-maintained vehicles, we aim to reduce emissions and the carbon footprint of our logistics operations.

Supplier's Code of Conduct	Policy / Procedures	Conformity to Regulations	Logistics	Responsible & Ethical Sourcing
<ul style="list-style-type: none"> • Legal compliance • Fair competition • Business ethics & professionalism • Prohibition of bribery & corruption • Prohibition of forced labour & child labour • Respect for the basic human rights of employees • Safety & health of employees 	<ul style="list-style-type: none"> • Procurement Policy • ABC Policy • Supplier agreement terms & conditions • Supplier performance & assessment • Implement new procedures if necessary 	<ul style="list-style-type: none"> • Legal compliance • Comply to laws & regulations • Labour practice • Environmental protection • Mitigate potential risks related to sustainability 	<ul style="list-style-type: none"> • Optimise delivery schedules • Route optimisation to reduce fuel consumption • Reduce carbon footprint of logistic operations 	<ul style="list-style-type: none"> • Engage & partner with responsible suppliers/vendors • Meet product safety & quality standards • Encourage to support for local suppliers & business • Material planning

**The table above shows the 5 pillars of the Building Sustainable Procurement framework, which have been created to serve as guidelines for supply chain management.*

	Performance Outcomes	FYE 2025	FYE 2024
	 Purchase from Overseas Suppliers	42%	53%
	 Purchase from Local Suppliers	58%	47%

Sustainability Statement (Cont'd)

c) Business Ethics and Integrity

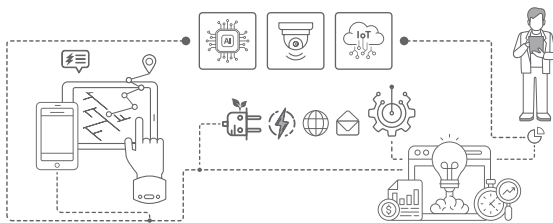
The Group acknowledges that strong governance and ethical practices are vital for fostering long-term stability and promoting sustainable growth. By embracing these core principles, we establish a resilient foundation that empowers us to effectively navigate the complexities of our operations and remain agile in response to evolving market conditions.

The governance of the Group is overseen by the Board, which ensures adherence to best practices and strict compliance with ABC Policy, further enhancing our integrity and operational excellence. By promoting accountability and conducting our operations responsibly and ethically, we cultivate a culture of respect and responsibility. This approach not only strengthens trust with our customers, partners and employees but also safeguards the Group's reputation.

Our leaders are committed to setting an example of ethical conduct, ensuring employees of the organisation upholds these core values. The Group is guided by our corporate governance framework that includes a detailed set of policies, procedures and guidelines. This framework enables us to instill a strong governance culture, ethics and integrity throughout STC. The following policies and procedures are publicly accessible on the Company's corporate website at www.stcgroup.com.my:-

- Charter of Board
- Code of Conduct
- Whistle Blowing Policy and Procedures
- ABC Policy
- Diversity Policy
- Director Fit and Proper Policy
- Non-Audit Service Policy
- Remuneration Policy
- Conflict of Interest Policy
- Related Party Transaction Policy and Procedures

2. Product Innovation



Material Matters

- a) *Products Enhancement and Sustainability*
- b) *Embracing Technologies in Smart Cities*

SDGs



Why It Matters?

For long-term success and enhanced sustainability, we aim to create a unique and diverse range of transformers, voltage stabilizers and lighting products. This strategy can help drive market expansion both locally and globally while giving us a competitive edge. Continuous enhancements in product development will result in improved performance in terms of durability, strength and functionality.

Through more efficient manufacturing processes and reduced production costs, we introduce cost-effective products that support a more sustainable future. Our unique and innovative iLCS (Intelligent Light Control System) enables us to embrace the 'Smart City' concept, leveraging technology to create more liveable, sustainable and competitive urban environments in Malaysia and beyond. The iLCS technology is designed to deliver high performance products and support a more advanced and interconnected future. Our custom-made transformers and voltage stabilizers are tailored to meet the specific requirements of our valued customers.

Sustainability Statement (Cont'd)

2. Product Innovation (Cont'd)

Our Approach

a) Products Enhancement and Sustainability

Our dedicated research and development team is continually working to develop and improve our products. We focus on enhancing both the design and technical specifications for our industrial lighting products. Our efforts are aimed at achieving continuous improvements in durability, functionality and performance, ensuring that our products can withstand harsh conditions. This includes advancements in our LED industrial lighting, integrated solar-powered street lanterns and floodlights.

In addition to design improvements, we are placing significant emphasis on enhancing the power quality and performance of our lighting products. As part of our commitment to sustainability, our lighting solutions now provide higher output while consuming less energy, thereby improving both efficiency and sustainability.

This commitment also allows our products to excel in the market. Our product development team is skilled at meeting the demands of today's fast-paced environment and addressing the evolving needs of consumers. We strive to stay ahead of industry trends and effectively adapt to challenges in the marketplace.

As a manufacturer, our ultimate goal is to transit smoothly to sustainable products that prioritise energy efficiency and renewable energy, creating an environmentally responsible future. By adopting renewable energy and integrating energy-saving practices into our product innovation, we aim to reduce environmental impact and support a more sustainable future for generations to come.

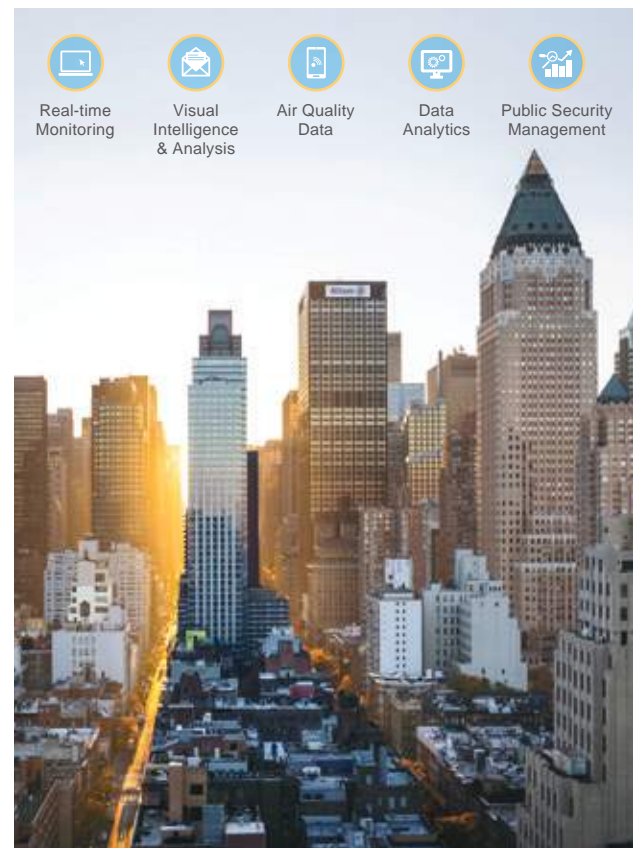
b) Embracing Technologies in Smart Cities

A smart city incorporates technology into its infrastructure and services to enhance the quality of life for its residents while promoting sustainability for the future. Embracing technology in smart cities is not merely about transformation, it is essential for developing sustainable, efficient infrastructure and fostering thriving urban environments in response to rising populations and rapid urban growth.

Our iLCS products utilise cutting-edge technologies such as IoT, artificial intelligence and 5G connectivity. These innovations enable smart cities to automate tasks, optimise operations and improve resource management, fostering more inclusive, responsive and sustainable environments. This creates conditions where citizens can thrive in an interconnected and data-driven world.

Additionally, with the integration of remote monitoring, cloud computing and data analytics, these technologies enhance accessibility to important data such as traffic flow patterns, air quality and weather conditions.

With the rapid growth and developing cities, the demand for energy and other resources increase substantially, impacting our environmental factors. Hence, by integrating smart technologies, cities can reduce their ecological footprint by collecting data, allowing city operators to make better informed decisions.



Sustainability Statement (Cont'd)



ENVIRONMENTAL

The inevitable climate change and persistent environmental challenges have become major global concerns, prompting urgent responses and actions worldwide. The Group recognises its collective responsibility in mitigating the impacts of climate change and complying with regulations established by local and international authorities.

We strive to reducing our carbon footprint, managing waste responsibly and promoting sustainable practices across the industry. By minimising waste, we enhance cost-effectiveness and optimise material use.

Material Matters

- a) Waste Monitoring Usage
- b) 3R Waste Management Approach

SDGs



3. Waste Management

Why It Matters?

It is essential to recognise our corporate responsibility in addressing the challenges we currently face. We have implemented various measures and frameworks aimed at improving waste management practices. Besides, we also revised and refined strategies to enhance our production processes with a focus on the reduction, reuse and recycling of materials throughout our operations.

Our Approach

a) Waste Monitoring Usage

We know the importance of managing the solid waste generated from our daily operations, particularly from materials such as cardboard, paper and plastic. These items are commonly produced through our packaging, shipping, wrapping and administrative purposes. To minimise waste, we have evaluated our packing and shipping methods to ensure efficient use of resources.

Materials that are no longer needed are separated and either reused within our operations or sent to recycling facilities. Plastic waste generated from packaging or products is carefully sorted for recycling, diverting waste from landfills. We also prioritise reuse and recycling of materials whenever feasible. We continuously stay updated on industry standards and best practices in contributing to the circular economy.



Performance Data

Recycle items disposed to collector in FYE 2025, FYE 2024 and FYE 2023.

Year	Carton (kg)	Paper (kg)	Plastic (Stretch Film) (kg)
FYE 2025	19226	10648	5070
FYE 2024	19224	11546	5181
FYE 2023	18413	7657	4339

Waste generated in FYE 2025, FYE 2024 and FYE 2023.

Waste Generated	FYE 2025	FYE 2024	FYE 2023
Scheduled Waste	3.52 MT	3.15 MT	3.33 MT
E-Waste	0.2444 MT	-*	0.95 MT

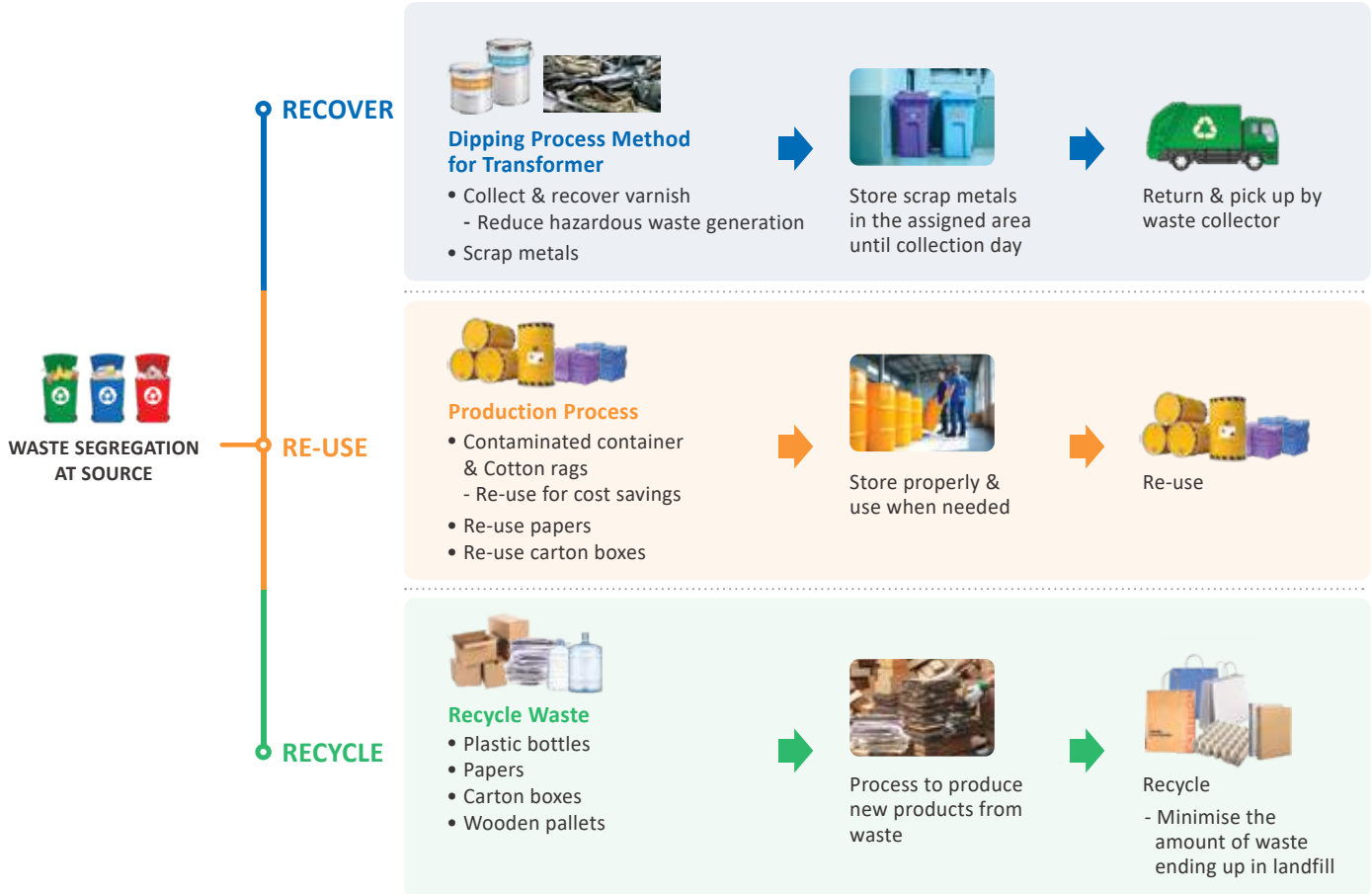
MT: Metric ton

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

Sustainability Statement (Cont'd)

3. Waste Management (Cont'd)

b) 3R Waste Management Approach



4. Energy Management



Why It Matters?

Effective energy management is crucial for using energy efficiently, minimising waste and addressing environmental issues. By monitoring energy usage, we gain clear visibility into how and where energy is consumed. This insight supports informed decision-making, enables preventive maintenance and helps identify inefficiencies. All these factors align with our internal operational priorities and commitment to environmental responsibility.

Material Matters

a) *Electricity Consumption*

b) *Water Usage*

SDGs



Sustainability Statement (Cont'd)


4. Energy Management (Cont'd)

Our Approach

a) Electricity Consumption


Electricity

We switch off the equipment and machinery during non-operational periods to minimise unnecessary energy use. We also ensure that machinery is maintained in good condition and repaired when needed. We have also begun recording electricity usage for employee hostel accommodations for the year 2025.

 ELECTRICITY	FYE 2025	FYE 2024
Electric Usage	Kwh 2,642,232	Kwh 2,675,241
Hostel	Kwh 180,228	N/A

Solar


One of our subsidiaries has installed a roof-mounted photovoltaic (PV) solar system, enabling their factory to harness clean, renewable energy directly at the point of use. This initiative reduces reliance on grid electricity, lowers greenhouse gas emissions and contributes to long-term energy savings.

 SOLAR	FYE 2025	FYE 2024
Solar Power Usage	Kwh 389,964	Kwh 355,888

b) Water Usage

Water

Although our manufacturing operations do not consume large quantities of water, we remain mindful of its environmental importance. We conduct regular maintenance, detect and repair leaks as needed. Even in areas such as production, where water is used, we remain committed to using it responsibly. We have also begun recording water usage for employee hostel accommodations for the year 2025.

 WATER	FYE 2025	FYE 2024
Water Usage	M3 24,207	M3 18,803
Hostel	M3 16,757	N/A



Sustainability Statement (Cont'd)



SOCIAL

The Group acknowledges that the social dimension is integral to fostering trust, accountability and long-term stability in its relationships with employees, communities and wider society. Fair and respectful labour practice and standards are equally vital, promoting dignity, equity and inclusivity at all levels of the workforce. Occupational safety and health serve as the foundation for providing and maintaining secure environments that protect both physical and mental well-being.

Material Matters

- a) Ethical Employment Practices
- b) Employees Protection
- c) Training and Development

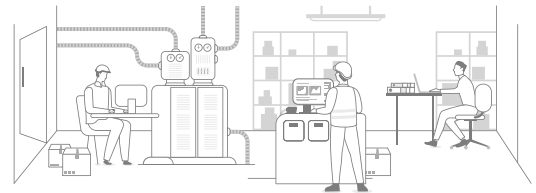
SDGs



5. Labour Practice and Standards

Why It Matters?

Labour practice and standards are essential in forming the foundation of strong work ethics, responsible behaviour and stable operations. By ensuring safe working conditions, we promote a motivated and productive workforce while streamlining processes and minimising disruptions. We emphasise employee well-being and skills development to support a positive work culture and strengthen long-term business resilience. Strong labour practices are also crucial for maintaining the quality, reliability and efficiency required in manufacturing, where consistency, safety and precision are vital.



Our Approach

a) Ethical Employment Practices

We are committed to fair and ethical recruitment. We do not discriminate in any way, including on the basis of race, skin color, gender, age, disability, sexual orientation, nationality, religion, marital status, family circumstances, or cultural and social background. Our hiring decisions are based solely on a candidate's skills, qualifications and experience.

We prioritise hiring local talent to create sustainable socioeconomic impact in our communities. This approach empowers us to develop more effective, community-aligned strategies while increasing local employment, supporting economic growth and enhancing workforce stability.



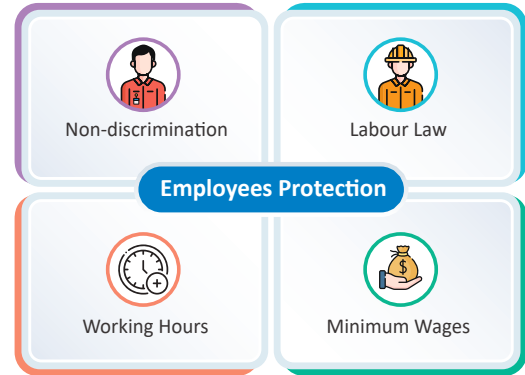
Sustainability Statement (Cont'd)

5. Labour Practice and Standards (Cont'd)

b) Employees Protection

We uphold fair and respectful treatment for all employees throughout our manufacturing operations. Our commitment encompasses compliance with applicable labour laws and safe working conditions.

All working hours comply with national regulations and any applicable overtime is compensated accordingly. We ensure that all employees receive at least the mandated minimum wage along with the benefits required by law. We maintain a policy of non-discrimination and treat all individuals fairly, regardless of their race, gender, age, religion, disability, ethnic, socioeconomic background or personal circumstances.



Labour Standards	Our Approach
Fair Treatment	We prohibit all forms of harassment, discrimination, verbal abuse, exploitation, including sexual harassment and physical discipline. We treat all employees with fairness and inclusiveness.
Child Labour	All forms of child labor are prohibited. We do not employ children or any person under the age of 18. We abide by the local regulation and do not support any form of child labour.
Forced Labour	We comply with all relevant labor laws. We do not pose any threat or use violence against workers in the workplace, nor do we engage in any form of physical coercion for involuntary work.
Working Hours	We comply with local regulations on working hours and overtime as stipulated in the Employment Act (Amendment) 2022.
Wages and Benefits	We adhere to Minimum Wages Order 2022 for all employees. Besides, we provide training and skill development programs, medical benefits reimbursement and hospitalisation insurance coverage.
Safety and Health	We provide a workplace that safeguards employees' well-being, ensures acceptable working conditions and mitigates any environmental factors that affect health by implementing corrective measure.

c) Training and Development

Our approach to training and development focuses on building a cohesive workforce while enhancing individual competencies. We organise team building event to foster collaboration and trust across functions. Besides, organised training courses are conducted yearly, providing structured opportunities for employees to strengthen their knowledge and confidence. These courses cover essential areas such as technical proficiency, safety awareness, job-specific skills and soft skills. This structured framework supports both operational excellence and personal growth.



Sustainability Statement (Cont'd)

5. Labour Practice and Standards (Cont'd)

c) Training and Development (Cont'd)

Below is a list of training topics were conducted during the FYE 2025:

TRAINING TOPICS	TYPE	TRAINING HOURS	MONTH & YEAR
Seminar Peraturan Keselamatan dan Kesihatan	SHE	8	August 2024
Communication and Leadership Skills in Organisation	Soft Skills	2576	August 2024
ESG and Climate Change	Technical	200	September 2024
Mental Health	Technical	16	September 2024
Solid Works Advance	Technical	40	October 2024
First Aid Refresher	SHE	56	October 2024
Forklift and Reachtruck Training	SHE	53	October - November 2024
Creating on Efficient Grading Salary Structure	Technical	32	February 2025
Engineering and Construction Project	Technical	80	April 2025
Pollution Water, Air and Noise	SHE	4	May 2025
CIDB Green Card	Technical	24	May 2025
Leadership for Scheduled Waste Management	SHE	16	May 2025
Ergonomic Trained Person (ETP) - Initial Era	SHE	32	June 2025
Sustainability ESG Reporting	Technical	24	June 2025

*The man-training hours have exceeded the targeted man-training hours of 1000 during FYE 2025.

*The above table does not include the Anti-Bribery and Corruption program for FYE 2025.

Below is a list of training conducted during the FYE 2025 and FYE 2024:

TYPE	NUMBER OF TOPICS		TRAINING HOURS	
	2025	2024	2025	2024
Technical	11	10	492	480
Safety, Healthy & Environment ("SHE")	7	4	241	425
Soft Skills	3	3	2580	400
Total	21	17	3313	1305

Total number of training hours by employee category during the FYE 2025 and FYE 2024:

TYPE	TRAINING HOURS		NO. OF ATTENDEES	
	2025	2024	2025	2024
Executive	2176	391	75	61
Non-executive	1137	914	119	125
Total	3313	1305	194	186

Sustainability Statement (Cont'd)

5. Labour Practice and Standards (Cont'd)

c) Training and Development (Cont'd)

TOGETHER WE RISE TEAM BUILDING

Our company held a three-day team-building event in August 2024 at DoubleTree by Hilton Damai Laut, Lumut. The "Together We Rise" themed took place over two separate weeks, each involving different group of employees.

The "Communication & Leadership Skills in Organisations" course was chosen to enhance communication, leadership and collaboration skills among employees. The event included a series of sports and teamwork-based games to foster engagement and skills development. Through these interactive activities, team members practiced active listening, clear expression and comprehension, leading to better understanding in daily operations.

The event provided opportunities for individuals to assume leadership roles during group challenges, fostering confidence and decision-making skills essential for guiding teams effectively. It also boosted employee morale and engagement. Participating in enjoyable yet challenging activities together enhanced team spirit, increased motivation and reinforced a positive workplace culture.



Sustainability Statement (Cont'd)

6. Occupational Safety and Health

Why It Matters?

Creating a safe and healthy work environment reflects our commitment to protecting employees. Occupational Safety and Health ("OSH") practices play a crucial role in managing risks effectively, helping to prevent accidents and illnesses, ensure compliance with health and safety regulations and safeguard organisational integrity. Investing in OSH also contributes to cost savings by reducing expenses related to workplace injuries, including medical costs and productivity loss.

Under Section 15(1) of Malaysia's Occupational Safety and Health Act 1994 (Act 514), employers are required to ensure the safety, health and welfare of all employees. To comply with this requirement, our organisation has appointed First Aiders and ensures their skills remain current through regular refresher training. Our approach strives to maintain a safe working environment by providing adequate first-aid facilities and trained personnel.

Material Matters

a) First Aid Training

b) Creating Awareness on Ergonomics and Safe Handling at Work

SDGs



Our Approach

a) First Aid Training



The Occupational First Aid Refresher Course aims to reinforce essential first aid knowledge and practical skills of trained personnel. Participants will revisit core topics such as the principles of first aid, management of bleeding and wounds, treatment of burns and scalds, handling fractures and responding to medical emergencies. The course also emphasises basic life support skill such as Cardiopulmonary Resuscitation (CPR).

Through a combination of theoretical instruction and hands-on practice, employees will enhance their ability to respond effectively to workplace emergencies, ensuring they are well-prepared to provide immediate and appropriate care when incidents occur.

First Aid Training Approach & Methodologies

Employees gained essential knowledge and skills through:

- Theory Session
 - Dynamic & engaging presentation
 - Engaging audio-visual aids, video clips, multimedia presentation
- Practical session
 - Hands-on experience

First Aid Training Outcomes

To prepare personnel to effectively handle victims in emergency situations such as:

- Perform basic life support skill such as CPR
- Render First Aid for various injuries such as bleeding, burn and fracture
- Understand systematic approach to survey & diagnose patient

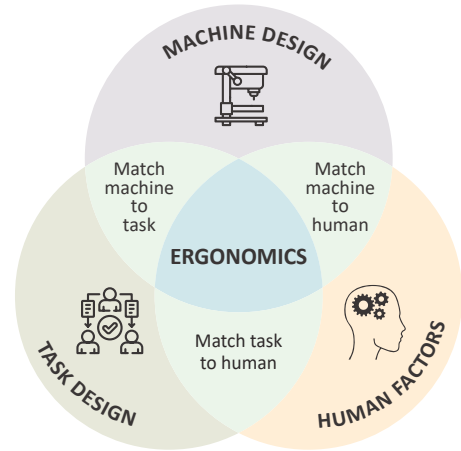
Sustainability Statement (Cont'd)

6. Occupational Safety and Health (Cont'd)

b) Creating Awareness on Ergonomics and Safe Handling at Work

Ergonomics or human factors, is the scientific study of how people interact with different components of a system. This discipline is crucial for our production line, which is why we are educating employees on the importance of proper manual handling techniques and ensuring they understand the fundamentals of ergonomics. We are in the process of further strengthening this focus throughout the year, as it involves many employees.

In this context, using tools and tasks that align with the physical capabilities of employees helps reduce strain and fatigue, thereby lowering the risk of musculoskeletal disorders. Additionally, safe manual handling practices minimise the risk of injury when lifting, carrying or moving objects.



Source: ErgoVenture

Physical Ergonomics

Physical ergonomics is concerned with human anatomical, anthropometric, physiological and biomechanical characteristics as they relate to physical activity.

Cognitive Ergonomics

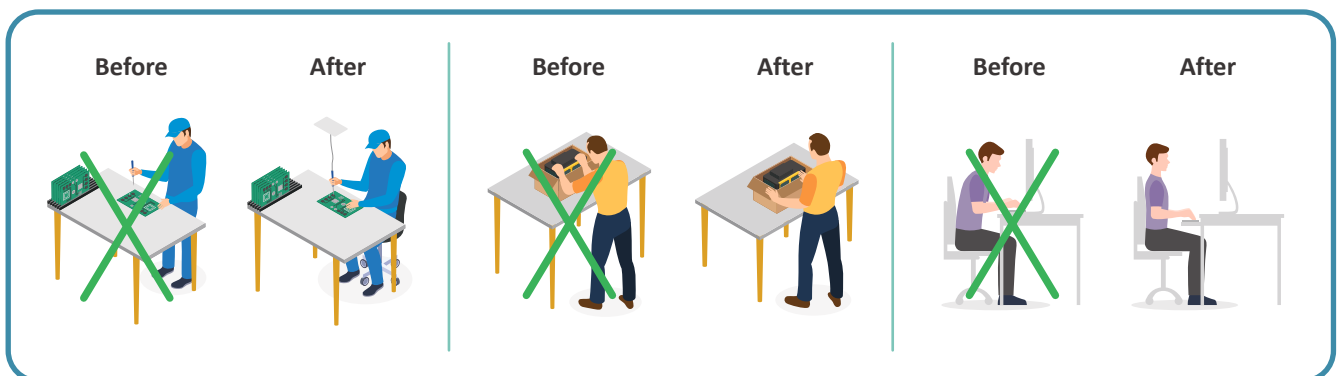
Cognitive ergonomics is concerned with mental processes, such as perception, memory, reasoning and motor response, as they affect interactions among humans and other elements of a system.

Organisational Ergonomics

Organisational ergonomics is concerned with the optimisation of sociotechnical systems, including their organisational structure, policies and processes.



Ergonomics is fitting the job to the person.



Sustainability Statement (Cont'd)

7. Diversity



Material Matters

a) Inclusion, Diversity and Equality

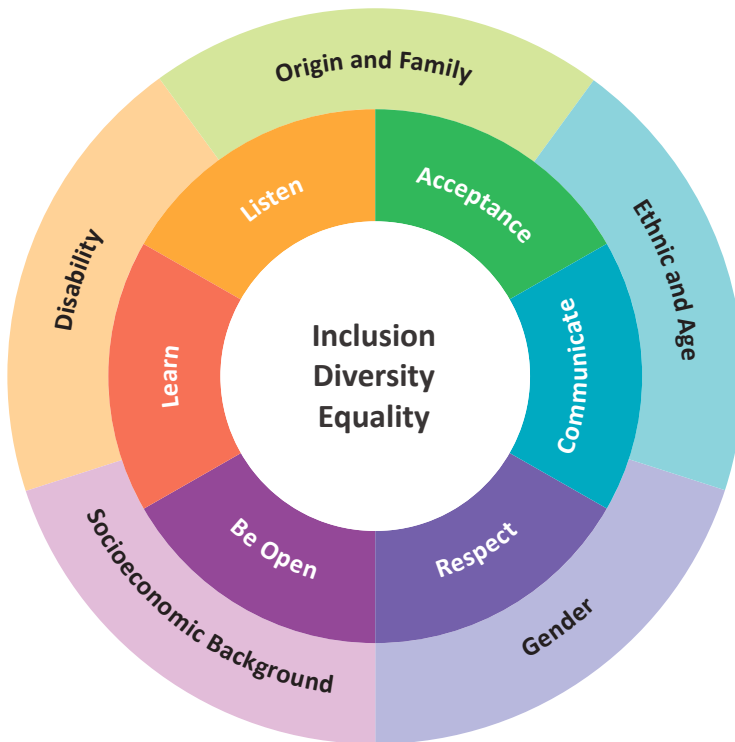
SDGs



Why It Matters?

Diverse teams bring a wider range of perspectives, experiences and problem-solving approaches. By leveraging this rich tapestry of human thought, they can more effectively navigate complex challenges, drive progress and make well-rounded decisions. All of this is absolutely critical for building stronger relationships and harnessing the full potential of a diverse workforce in pursuit of shared goals.

Through sharing and listening with intent, we strengthen trust and accountability throughout the organisation. Together, these values shape our actions and workplace practices as we strive to create an inclusive environment where everyone feels recognised, supported and valued.



Our Approach





a) Inclusion, Diversity and Equality

We acknowledged that fostering inclusion, embracing diversity and upholding equality are essential for creating a respectful and progressive workplace. We believe that every individual contributes unique talents and experiences. Being open to different opinions, cultural backgrounds and personal identities promote mutual understanding at all levels. This openness encourages us to respectfully challenge norms and grow together. We are committed to cultivating an environment where individuals feel safe to be themselves, free from discrimination or bias.

Sustainability Statement (Cont'd)

7. Diversity (Cont'd)

The summary of our workforce position, gender and age by employee category during the FYE 2025 and FYE 2024:

JOB POSITION	GENDER	NUMBER OF PEOPLE							
		2025				2024			
		< 30	30-50	> 50	TOTAL	< 30	30-50	> 50	TOTAL
 Management	Male	0	29	20	49	1	29	22	52
	Female	0	22	3	25	0	21	5	26
 Executive	Male	1	28	4	33	3	29	4	36
	Female	5	40	1	46	9	38	1	48
 Non-Executive / Technical Staff	Male	17	57	9	83	22	61	11	94
	Female	19	31	6	56	13	33	7	63
 General Workers	Male	116	99	6	221	163	82	1	246
	Female	4	11	7	22	8	15	5	28
TOTAL		162	317	56	535	229	308	56	593

Total number of employee turnover by employee category during the FYE 2025 and FYE 2024:

CATEGORY	FYE 2025		FYE 2024	
Management	4	5.4%	1	1.3%
Executive	12	15.2%	11	13.1%
Non-executive / Technical Staff	28	20.9%	18	11.5%
General Workers	20	7.8%	16	5.8%
Total Employees Turnover	64	12.0%	46	7.8%

Total number of new employees hired by category during the FYE 2025 and FYE 2024:

GENDER	FYE 2025	FYE 2024
Male	13	36
Female	28	27
Total	41	63

LOCAL & FOREIGNER WORKERS	FYE 2025	FYE 2025
Local	41	42
Foreigner	0	21
Total	41	63



Sustainability Statement (Cont'd)

8. Community / Society

Why It Matters?

Contributing to society and the community reflects our organisation's broader sense of responsibility beyond business interests. Humanitarian efforts and philanthropy demonstrate empathy, compassion and solidarity, especially during times of need. Our initiatives promote resilient communities and foster goodwill throughout society. Such actions solidify community bonds and underline our steadfast commitment to the common good. We also demonstrate our ongoing awareness to women's health and fostering a nurturing workplace culture.

Material Matters

- a) Humanitarian Efforts
- b) Charitable Contributions
- c) Promote Women's Wellness

SDGs



Our Approach



a) Humanitarian Efforts

In the aftermath of a devastating 7.7-magnitude earthquake that struck Myanmar in 2025, the humanitarian efforts and fundraising activities of Fo Guang Shan (M) Dong Zen Temple and Yayasan Sin Chew emerged as a beacon of hope. They provided relief by mobilising resources and launching rebuilding initiatives. Their immediate response included the critical deployment of emergency aid, with teams flying to Myanmar to deliver essential medical assistance, food and supplies to affected communities. These efforts are coordinated with Myanmar authorities to ensure that aid efficiently reaches those in need, addressing the urgent requirements of disaster-stricken areas. In collaboration with Fo Guang Shan, the Group has donated 220 solar streetlights and 200 decorative lights. This initiative aims to support the restoration of livelihoods in the affected areas. In addition, the Group donated RM20,000 to the Nepal flood relief program to help alleviate the hardship faced by the local community.

b) Charitable Contributions

During FYE 2025, the Group donated a total of RM305,000 to Tabung Persatuan Rumah Ibadat (TPRI) Fo Guang Shan and RM171,197 to various non-profit organisations for charitable causes. The Group remains committed to extending support to meaningful community initiatives.

c) Promote Women's Wellness

On this special Valentine's Day, 14 February 2025, we encouraged women to prioritise their health and take time for self-care. The Company presented all female employees with thoughtfully selected health sachet drinks, acknowledging their invaluable contributions to the organisation. This gesture demonstrates our care for their well-being. Through this initiative, we aim to promote healthier habits and lifestyle choices, enhance engagement and emphasise that their physical wellness truly matters.

Sustainability Statement (Cont'd)

9. Anti-Bribery & Corruption

Why It Matters?

Anti-Bribery and Corruption ("ABC") controls and measures help to protect financial stability, reputation and operational integrity. A strong commitment to ABC promotes a culture of transparency and ethical behaviour among employees, leading to more reliable business processes while enhancing employee morale and loyalty. In addition, curbing corruption promotes fair competition, build stakeholder confidence and helps prevent legal penalties or project delays.

Our Approach

a) No-Gift Policy



We have implemented a No-Gift Policy that prohibits employees from receiving gifts or soliciting them from external parties, including customers, business partners, suppliers, regulators and any officials. This prohibition covers gifts such as cash or cash equivalents including gift certificates, loans, commissions, discounts, services, advantages or any other type of benefits. However, corporate gifts and souvenirs given out of hospitality are exempt from this policy if they meet the criteria outlined in the No-Gift Policy. Employees are encouraged to review the policy periodically, which can be found on the Company's corporate website.

b) Anti-Bribery & Corruption Training

As part of our commitment to embed a culture of integrity across the Group, we delivered ABC training to 544 employees during FYE 2025. As of 30 June 2025, all staff from local subsidiaries have completed this training. No incidents of bribery or corruption occurred and no related actions were taken during FYE 2025.

We uphold a culture of trust, accountability and transparency by providing a dedicated whistleblowing channel on our corporate website. This channel is accessible to all employees and stakeholders, offering a secure and confidential avenue to raise concerns about misconduct or ethical violations without fear of retaliation.

The breakdown of attendees for anti-bribery and corruption training sessions are as follows:

CATEGORY	FYE 2025		FYE 2024	
	TOTAL NO. OF ATTENDEES	TOTAL NO. OF EMPLOYEES	TOTAL NO. OF ATTENDEES	TOTAL NO. OF EMPLOYEES
Management	78	78	70	78
Executive	80	80	57	84
Non-Executive / Technical Staff	140	140	27	157
General Worker	246	246	0	0
Total	544	544	154	319

Material Matters

- a) No-Gift Policy
- b) Anti-Bribery & Corruption Training

SDGs



Sustainability Statement (Cont'd)

10. Data Privacy & Security



Material Matters

a) Information Protection and Security System

SDGs



Why It Matters?

We acknowledge that data is a crucial asset and are dedicated to protecting its privacy and security. Through the safe handling of sensitive information and by fostering stakeholder trust, we reduce the risk of costly breaches or disruptions, thereby supporting continuous business growth. We safeguard our systems against evolving threats by conducting regular monitoring and implementing strategies to uphold data integrity. All data is collected, used and disclosed only for ethical business purposes and administrative work.

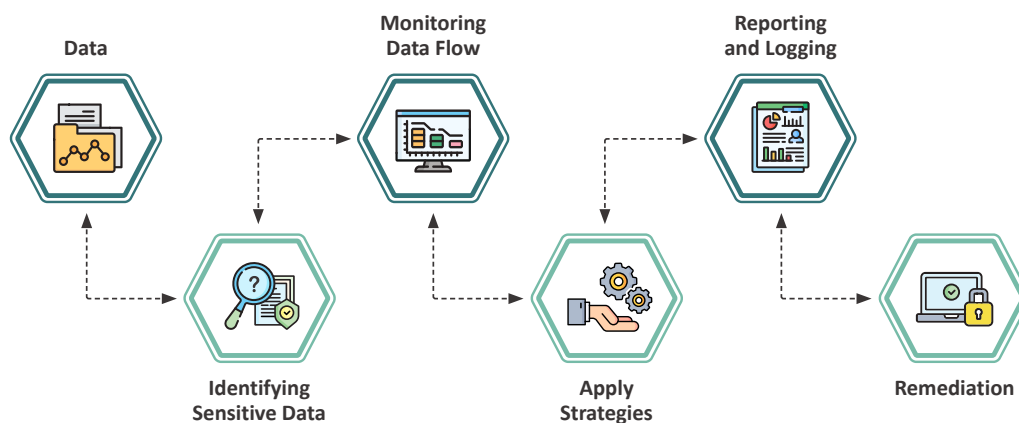
Our Approach

a) Information Protection and Security System

The Group regularly reviews its information security controls to ensure the effectiveness of its privacy and data protection processes. The Management Information System ("MIS") team identifies risks, prioritises improvement and develops data protection strategies. Throughout the year, data loss prevention ("DLP") measures have been implemented, focusing on establishing and maintaining controls to prevent unauthorised access, use or transfer of sensitive information. The MIS team has integrated a set of controls, tools and practices designed to safeguard digital data from corruption, loss or misuse.

Our focus remains on strengthening this core area. Our DLP systems continuously monitor data across networks and endpoints to identify potential security threats. If any irregularities are found, employees can submit an e-ticket and the MIS team will implement the appropriate remediation plan. This system supports the organisation in maintaining the confidentiality, integrity and availability of information throughout its lifecycle.

Data Loss Prevention



Sustainability Statement (Cont'd)

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	87.70	100.00
Executive	Percentage	67.90	100.00
Non-executive/Technical Staff	Percentage	17.20	100.00
General Workers	Percentage	0.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	26.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
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	476,197.26
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7	10
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	0.00
Management Between 30-50	Percentage	8.43	9.53
Management Above 50	Percentage	4.55	4.30
Executive Under 30	Percentage	2.02	1.12
Executive Between 30-50	Percentage	11.30	12.71
Executive Above 50	Percentage	0.84	0.93
Non-executive/Technical Staff Under 30	Percentage	7.59	6.73
Non-executive/Technical Staff Between 30-50	Percentage	15.85	16.45
Non-executive/Technical Staff Above 50	Percentage	3.04	2.80
General Workers Under 30	Percentage	28.84	22.43
General Workers Between 30-50	Percentage	16.36	20.56
General Workers Above 50	Percentage	1.01	2.43
Gender Group by Employee Category			
Management Male	Percentage	8.77	9.16
Management Female	Percentage	4.39	4.67
Executive Male	Percentage	6.07	6.17
Executive Female	Percentage	8.10	8.60
Non-executive/Technical Staff Male	Percentage	15.85	15.51
Non-executive/Technical Staff Female	Percentage	10.62	10.47
General Workers Male	Percentage	41.48	41.31
General Workers Female	Percentage	4.72	4.11
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	57.14	57.14
Female	Percentage	42.86	42.86
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	28.57	28.57
Above 50	Percentage	71.43	71.43
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	2,675.24	2,642.23
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	86	89

Sustainability Statement (Cont'd)

ESG PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	178	1,090
Executive	Hours	213	1,086
Non-executive/Technical Staff	Hours	913	1,076
General Workers	Hours	1	61
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	1	4
Executive	Number	11	12
Non-executive/Technical Staff	Number	18	29
General Workers	Number	16	19
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	47.00	58.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	18.803000	40.960000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	0.00	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00	0.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	0.00	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	0.00

Sustainability Statement (Cont'd)

Corporate Social Responsibility

GO GREEN, SAVE EARTH.

On 26 July 2024, we have taken a step toward promoting environmental consciousness by organising a 'Recycle Day'. This event aims to raise awareness about the importance of recycling and to engage employees in taking action for a better, healthier environment.

On Recycle Day, we collected reusable items such as cooking oil, paper, cartons, tins, and plastic bottles from employees across various departments. Our goal is to motivate our team to adopt environmentally responsible recycling practices, develop a conscious, eco-friendly mindset and cultivate mindful habits that help preserve the environment.



3R CREATIVE DUSTBIN CHALLENGE

TOGETHER WE CAN, RECYCLE AND TRANSFORM

On 15 June 2024, we organised the 3R Creative Dustbin Challenge, an engaging initiative aimed at promoting environmental awareness and encouraging good waste management practices among employees. The challenge invited participants to design and build dustbins based on the 3R principles of Reduce, Reuse and Recycle, demonstrating creativity and transforming reused materials into something useful. Employees from various departments took part enthusiastically, submitting innovative and eye-catching dustbin designs made from reused materials. To recognise the efforts and creativity of the participants, cash rewards and hamper gifts were awarded to the top entries.

Sustainability Statement (Cont'd)

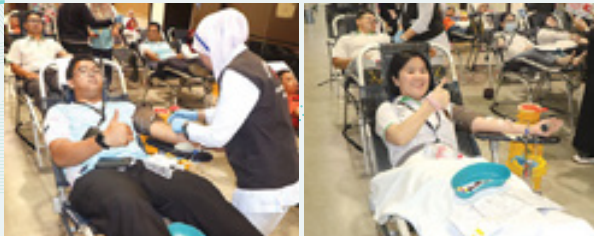
Corporate Social Responsibility (Cont'd)

BLOOD DONATION

BE A HERO, BE A DONOR.

On 17 October 2024, the Company organised a blood donation event in collaboration with the National Blood Bank, reinforcing its commitment to public health and community welfare. This initiative supports the availability of safe and sufficient blood stocks for hospitals and emergency services, addressing critical medical needs. Beyond the immediate health impact, the event reflects the company's role as a responsible and compassionate corporate citizen.

It also promotes a culture of giving, highlighting the importance of collective support in strengthening healthcare systems. Blood donation unites people regardless of background, reinforcing the values of empathy and community care and their contribution is an act of selfless humanity.



Source: Austin Duta by IJM Land Facebook

RUN FOR GOODWILL

On 23 November 2024, the Johor Bahru Electrical & Electronics Association hosted a charity marathon at Austin Duta Central Park to encourage participation in healthy events and promote overall well-being. The Company offered a cash sponsorship in support of this cause. The donation is intended to be directed to the association's efforts in Johor, providing basic necessities and financial assistance to the poor, persons with disabilities and victims of disasters.

Through this event, we take this opportunity to give back to society and make a meaningful impact in supporting vulnerable individuals. Furthermore, the event served as a platform to broaden our company's visibility and strengthen our presence within the community.

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 (“FYE”) 2025 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 2025. 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 2025. 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 2025.

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 ensuring 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 2025, 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 for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator during the Board meetings to ensure that contribution by Directors is forthcoming on matters being deliberated and that no Board member dominates the 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 through which the Group conducts its business. The Independent Non-Executive Directors are essential for protecting the interest of shareholders and are 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 which comprises Independent Non-Executive Directors to provide independent overights 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 terms of reference of the AC and non-audit fee policy;
- Considers and recommends the appointment of the external auditors, audit fees and any questions regarding 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 deems 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 the 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 issues or concerns regarding 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 regards to any adjustments that are deemed necessary, including the 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, including 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 the Chairman as well as 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 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 MCCG 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 ("ABC 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 ABC 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 ABC 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 ABC Policy.

The ABC Policy is published on the Company's 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 addition, 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

For the FYE 2025, the Board was supported by a qualified and experienced Company Secretary, Ms. Chua Siew Chuan. Subsequently on 1 August 2025, Ms. Chin Mun Yee was appointed as Joint Secretary of the Company. The Company Secretaries provides timely advices, updates and notifications to the Board on matters relating to compliance with applicable laws, regulations and corporate governance matters. The Company Secretaries attend all Board and Board Committee meetings to ensure that meetings are properly convened, and that deliberations as well as decisions are properly recorded and maintained. They are also responsible for ensuring adherence to Board's policies and procedures, as well as compliance with all relevant statutory and regulatory requirements.

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 this Annual Report, the Board comprises seven (7) members (excluding Alternate Director), consisting of 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). The Board composition complies with Paragraph 15.02(1) of the MMLR which 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 effective 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.

Corporate Governance Overview Statement (Cont'd)

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

Board Composition (Cont'd)

The Board takes note on Practices 5.2 of the MCG 2021 which recommend that at least half of the Board members to be independent directors. Although less than half of the Board comprises Independent Directors, the Board is of the view that its current composition provides an appropriate mix of knowledge, skills, and industry experience to support effective decision-making and to ensure the continued success of the Company. Further, none of the Independent Directors is involved in any business dealings or the day-to-day management of the Group. This enables them to exercise independent judgement and to act in the best interests of the Company and its shareholders. All Independent Directors have met the criteria of "Independent Director" as defined in Paragraph 1.01 of the MMLR, and the Board is satisfied with the level of independence demonstrated.

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 is comprises at least 30% women directors in accordance with Practice 5.9 of the MCG 2021 and maintain 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. The Directors are not allowed to hold more than five (5) directorships in listed issuers according to the MMLR in order to enable the Directors to devote their times in discharge their duties and responsibilities effectively. 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 2025 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	4/5
Dato' Tan Wei Neng	5/5
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. 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 2025, 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 Programme
Datuk Ir. Kamarudin Bin Md. Derom	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Ah Bah @ Tan Ah Ping	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Chung Ling	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Growing Concerns from New Technology, Stakeholder, Interests & Conflict of Interest
Dato' Tan Wei Neng	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) The Journey into the AI Age: Game Changer for Your Digital Transformation Era

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"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Chan Foong Ping	<ul style="list-style-type: none"> The Companies (amendment) Act 2024, Guidelines for the Reporting Framework for Beneficial ownership 2024 Sustainability Practices and Disclosures ISSB: Applying the IFRS Sustainability Disclosure Standards Navigating Recent Developments in Sustainability Reporting and the Continued Relevance of Integrated Thinking and Reporting Technology in Practice: Artificial Intelligence Tools and Technologies for Sustainability Reporting in Malaysia Overview of the Third Edition of the IFRS for SMEs Accounting Standards
Dato' Yeoh Kim Wah	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Chung Chiah (Alternate Director)	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

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.

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 2025 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.

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 (Cont'd)

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 2025 were as follows:

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

Reviewed and Assessed the AC

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.

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 9 October 2025 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.

Corporate Governance Overview Statement (Cont'd)

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

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 21st AGM:

- i) Dato’ Yeoh Kim Wah; and
- ii) Chan Foong Ping

The above said Directors have offered themselves for re-election at the forthcoming 21st AGM. The NC has also taken into consideration the outcome of the Directors’ self-assessment prior making recommendation to the Board 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.

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 except for Ms.Chan Foong Ping.

Ms. Chan Foong Ping who was appointed to the Board on 23 September 2016 as an Independent Non-Executive Director, would have served in that capacity as an Independent Director for more than nine (9) years at the Company’s forthcoming 21st AGM. Meanwhile, she may continue to be considered independent until the conclusion of the next annual general meeting.

The Company had proposed to seek for shareholders’ approval at the forthcoming AGM through a two-tier voting process, for her to continue serving as the Independent Non-Executive Director of the Company.

Corporate Governance Overview Statement (Cont'd)

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

Tenure of Independent Director (Cont'd)

In accordance with the MCG 2021, the Board, through the NC has undertaken a rigorous relevant review and assessment, and has recommended Ms. Chan to continue to serve as an Independent Non-Executive Director based on the following justifications:

- Ms. Chan Foong Ping has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the MMLR;
- Ms. Chan Foong Ping was able to exercise independent judgement and act in the best interest of the Company;
- there was no existing and potential conflict of interest that Ms. Chan Foong Ping could have with the Company, as she has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 12 of the MMLR; and
- Ms. Chan Foong Ping has not developed, established, or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level, consistent and expected of her to carry out her duties as an Independent Non-Executive Director.

In view thereof, the Board recommends and supports of the retention of Ms. Chan as an Independent Director, subject to the approval of the shareholders through two-tier voting process at the Company's forthcoming 21st AGM to be held on 4 December 2025.

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 2025. 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 MCG 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.

Corporate Governance Overview Statement (Cont'd)

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

Remuneration Policies and Procedures (Cont'd)

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.

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 2,600,001 to RM 2,650,000	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
Non-executive	296	10	-	-	306

Company	Fees* RM'000	Salaries & other emoluments RM'000	Employees share option scheme expenses RM'000	Benefits in kind RM'000	Total RM'000
Non-executive	296	10	-	-	306

* 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 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 IFRS Accounting Standards.

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 4 December 2025.

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 FYE 2025 was co-sourced to Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("**Baker Tilly**"), 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 internal audit assignments undertaken by Baker Tilly during the FYE 2025 included the operational reviewed on the sales & receivables cycle and recurrent related parties transaction of Ningbo Success Zhenye Luminaire Limited Liabilities Company and procurement to payment function on Success Electronics & Transformer Manufacturer Sdn. Bhd.

The findings of the internal audit function were communicated to the Management for the necessary corrective action and being followed up and reported to the 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 67-70.

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.

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 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.

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 20th AGM held on 3 December 2024 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.

From 1 March 2025 onwards, all public listed companies on Bursa Securities must hold hybrid or physical general meetings. After due consideration, the Company will conduct its forthcoming 21st AGM physically on 4 December 2025.

Even though the forthcoming 21st AGM will be conducted physically, shareholders are allowed to vote in absentia by appointing their respective proxies or the Chairman of the AGM to vote on their behalf in accordance with the Company's Constitution.

COMPLIANCE STATEMENT

Save as disclosed above and in the CG Report, the Board is satisfied that throughout the FYE 2025, 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 9 October 2025.

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, Ms. 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 one (1) a year.

4. AC MEETING ATTENDANCE

The AC had conducted five (5) meetings for the financial year ended 30 June (“FYE”) 2025 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 2025 and up to the date of this AC Report, the AC had carried out the following key 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 2025 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 and recommended to the Board of Directors of STC (“Board”) to seek shareholders’ approval for the re-appointment of the external auditors for the ensuing financial year at the forthcoming Company’s Annual General Meeting after assessing their capabilities as well as the effectiveness of the external audit process; and
- Held one (1) private session with the external auditors without the presence of Executive Directors and Senior Management team to provide additional comments to the AC and to discuss issues and any concerns the external auditors might have from the conduct of their audit.

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;
- Reviewed, 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 2025 tabled by the internal auditors for the Board’s notation;
- Reviewed the performance and competency of the internal audit function;
- Reviewed the recurrent related party transactions (“RRPTs”) of a revenue or trading nature entered into by the Group and the control procedures to ensure that these RRPTs were conducted on normal commercial terms and were not detrimental to the interests of minority shareholders and based on the terms which were generally not more favorable than to unrelated parties; and
- Convened meeting with internal auditors and the Board.

Audit Committee Report (Cont'd)

5. SUMMARY OF WORK (CONT'D)

During the FYE 2025 and up to the date of this AC Report, the AC had carried out the following key 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 approval prior to the release to Bursa Securities;
- Reviewed the annual audited financial statements of the Company and the Group for the FYE 2025, with the external auditors, before recommending the same to the Board for approval;
- Reviewed the annual budgeting of the Group for the FYE 2025 and recommend to the Board for approval;
- Reviewed the Company's and the Group's compliance with the MMLR, Malaysia Financial Reporting Standards, IFRS Accounting 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;
- Reviewed and discussed material sustainability matters with Risk and Sustainability Management 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.

Other Activities:

- Received the report for ESOS status on a quarterly basis;
- Reviewed the Corporate Governance Overview Statement, Corporate Governance Report and AC Report and recommended the same for the Board's approval for inclusion in the Company's Annual Report;
- Reviewed the RPTs and RRPTs entered into by the Group during the FYE 2025 to ensure that the procedures for the monitoring of RPTs and RRPTs have been complied with;

Audit Committee Report (Cont'd)

5. SUMMARY OF WORK (CONT'D)

During the FYE 2025 and up to the date of this AC Report, the AC had carried out the following key activities: (Cont'd)

Other Activities: (Cont'd)

- Reviewed the draft Circular to Shareholders in respect of the proposed renewal of existing shareholders' mandate for RRPT before recommending the same to the Board for approval;
- Reviewed the Conflict of Interest ("COI") policy and Related Party Transaction ("RPT") policy and procedure, before recommending the same to the Board for approval;
- Reviewed and monitored any COI or potential COI 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 currently supported by one (1) internal audit personnel with 11 years working experience in the internal audit field and co-sourced with independent internal consultant from Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("**Baker Tilly**").

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.

The below are the internal audit assignments undertaken by co-sourced independent internal consultant, Baker Tilly during the FYE 2025:

1. Sales & Receivables Cycle and Recurrent Related Parties Transaction of Ningbo Success Zhenye Luminaire Limited Liabilities Company; and
2. Procurement to payment function of Success Electronics & Transformer Manufacturer Sdn. Bhd.

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

This AC Report was approved by the Board on 9 October 2025.

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**”) as well as 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 does not include 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 process. 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 and ISO14001:2015 Environmental Management System;
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;
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;

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 process. The principal elements of the Group's internal control systems are summarised as follows: (Cont'd)

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 at 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.

RMSC had met during the financial year ended 30 June ("FYE") 2025 where key principle risks faced by the Group and the proposed action plans to mitigate the risks identified were discussed and presented to the AC accordingly.

The management of the significant risks identified for FYE 2025 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 aware, alert and align with market's demand and requirements; and
- To identify target audience and conduct thorough market research and react accordingly.

Statement on Risk Management And Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

Economic Risk

Global uncertainties, volatile and unexpected fluctuations in the current economic situation could adversely impact the electrical and electronic sector. In addition, uncertainty over tariff policies further adds to the challenges. To mitigate these risks, the Group has undertaken the following actions:

- Streamline operations to reduce operational costs and optimising assets and resources;
- Exploring and expanding into new local and international markets;
- Pursue new product ranges and explore business diversification opportunities to stay ahead; and
- Increase passive income by investing in financial assets such as bank deposits, unit trusts, bonds and etc. after careful assessment of capital sufficiency and cash flow required for operations.

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 also carried out hedging on the remaining un-hedged portion to mitigate currency risk on cash flow earnings.

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 our existence which resulted in an increase in cyber threats towards the Group's network infrastructure. The risk of data loss is a crucial challenge cybersecurity faces nowadays. As an essential step to safeguard 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. The use of firewall, intrusion prevention system, antivirus software, Virtual Private Network (VPN) software and daily backup system data are amongst the control measures taken to strengthen the cybersecurity control.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Group's risk management and internal control review is undertaken by the internal audit function within the Group. To ensure independence, the internal auditors report 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 audit findings and relevant recommended improvements are presented to the AC during the quarterly meetings. After the AC had deliberated on the reports, these reports are then forwarded to the operational management for attention and necessary actions. The operational management is responsible in ensuring the corrective actions recommended for improvements are implemented within the required time frame.

Statement on Risk Management And Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION

The Group has an in-house internal audit function (“**IIA**”) that is independent and co-sourced with independent internal consultant from Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“**Baker Tilly**”) during FYE 2025 to perform internal audit activities. Both play a role to assist the Board in obtaining the assurance of the system of internal control maintained by the Management. The internal audit function reports directly to the AC and provides assurances that the internal control system of the business units are effective and adequate.

The IIA and Baker Tilly review compliance with policies and procedures, advice management on areas for improvement and subsequently review the extent to which its recommendations have been implemented and action plans previously agreed by management.

The internal audit plan is approved by the AC on an annual basis, and the appointment of co-sourced internal auditor was approved by the AC in assignment basic.

The results of the audits and recommendations for improvement were tabled at the AC meetings for discussion and subsequent assessment.

The following are the internal audit assignments undertaken by the Baker Tilly during the FYE 2025 and the findings was presented to the AC:

1. Sales & Receivables Cycle and Recurrent Related Parties Transaction of Ningbo Success Zhenye Luminaire Limited Liabilities Company; and
2. Procurement to payment function of Success Electronics & Transformer Manufacturer Sdn. Bhd.

The total cost of internal audit function for the FYE 2025 was RM203,118.

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 on a quarterly basis.

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 9 October 2025.

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 (“FYE”) 2025 are as follows:

	Group (RM)	Company (RM)
Audit Fees:		
– current financial year	362,788	100,000
– underprovision in prior year	1,000	-
Non-Audit Fees	16,628	5,000
	380,416	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 2025 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 2025, the Company has issued a total number of 249,000 ordinary shares in the Company under the ESOS for a total cash consideration of RM134,460. 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 20th Annual General Meeting of the Company held on 3 December 2024, 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 2025 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 2025 (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.	310,714	Gu Zhen Wu ⁽ⁱ⁾ Zhou Jie Di ⁽ⁱ⁾ Gu Zhen Jie ⁽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.	11,599,422	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.	45,647	Gu Zhen Wu ⁽ⁱⁱ⁾ Zhou Jie Di ⁽ⁱⁱⁱ⁾ Gu Yu Long ⁽ⁱⁱⁱ⁾
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.	1,030,877	Dato' Yeoh Kim Wah ^(iv)

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, namely Gu Zhen Jie with direct shareholdings of 100% in Zhenyu.
- ⁽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⁾ Gu Zhen Wu and Zhou Jie Di are directors of NSZ and have indirect shareholdings of 40% in NSZ via their direct shareholdings in Zhenye. Gu Yu Long who is the director and shareholder of MDG with direct shareholdings of 45% in MDG, is the son of Gu Zhen Wu and Zhou Jie Di.
- ^(iv) Dato' Yeoh Kim Wah is the Non-Independent Non-Executive Director of STC with a direct shareholding of 0.32% in STC, and also the director of Eco with direct shareholdings of 38% in Eco.

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 had 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.

(i) Total number of ESOS options granted, exercised or vested and outstanding since its commencement up to 30 June 2025

Descriptions	Number of ESOS options
Total number of options granted and accepted as at 15 December 2018	6,771,200
Unexercised options lapse due to staff resigned during FYE 30 June 2022	(1,030,500)
Options re-offered and accepted during FYE 30 June 2022*	1,143,200
Total number of options granted and accepted after re-offered	6,883,900
Total number of options exercised since commencement up to 30 June 2024	(4,411,400)
Total number of options outstanding as at 1 July 2024	2,472,500
Total number of options exercised during FYE 30 June 2025	(249,000)
Total number of options outstanding as at 30 June 2025	2,223,500

Notes:

- * A total of 1,143,200 ESOS options were re-offered to other eligible employees at an exercise price of RM0.54 on 20 December 2021 at the discretion of the ESOS Committee in accordance with the ESOS By-Laws. The 1,143,200 ESOS options comprised of 1,030,500 unexercised options lapsed due to staff resignations during FYE 30 June 2022 and 112,700 excess ESOS options arising from the non-acceptance of ESOS options by the eligible employees on 15 December 2018.

Other Compliance Information (Cont'd)

5. ESOS (CONT'D)

(ii) ESOS options granted to each category of participants during FYE 30 June 2025

Directors

Date of offer & Exercise price	16 November 2018 (RM0.54) and 20 December 2021 (RM0.54)
Aggregate options granted and accepted since commencement of ESOS / Number of participants	268,600 (3.90%) / 1 Executive Director (Dato' Tan Wei Neng)
Aggregate options exercised since commencement up to 30 June 2024 / Number of participants	69,800 (1.58%) / 1 Executive Director (Dato' Tan Wei Neng)
Aggregate options outstanding as at 1 July 2024	198,800
Aggregate options granted and accepted during FYE 30 June 2025 / Number of participants	-
Aggregate options exercised during FYE 30 June 2025 / Number of participants	-
Aggregate options outstanding as at 30 June 2025	198,800

Senior Management

Date of offer & Exercise price	16 November 2018 (RM0.54) and 20 December 2021 (RM0.54)
Aggregate options granted and accepted since commencement of ESOS / Number of participants	797,500 (11.59%) / 4*
Aggregate options exercised since commencement up to 30 June 2024 / Number of participants	724,900 (16.43%) / 4*
Aggregate options outstanding as at 1 July 2024	72,600
Aggregate options granted and accepted during FYE 30 June 2025 / Number of participants	-
Aggregate options exercised during FYE 30 June 2025 / Number of participants	29,400 (11.81%) / 1*
Aggregate options outstanding as at 30 June 2025	43,200

Other Compliance Information (Cont'd)

5. ESOS (CONT'D)

(ii) ESOS options granted to each category of participants during FYE 30 June 2025 (Cont'd)

Managerial

Date of offer & Exercise price	16 November 2018 (RM0.54) and 20 December 2021 (RM0.54)
Aggregate options granted and accepted since commencement of ESOS / Number of participants	2,739,300 (39.79%) / 43*
Aggregate options exercised since commencement up to 30 June 2024 / Number of participants	2,060,300 (46.71%) / 38*
Aggregate options outstanding as at 1 July 2024	679,000
Aggregate options granted and accepted during FYE 30 June 2025 / Number of participants	-
Aggregate options exercised during FYE 30 June 2025 / Number of participants	119,200 (47.87%) / 9*
Aggregate options outstanding as at 30 June 2025	559,800

Executive and below

Date of offer & Exercise price	16 November 2018 (RM0.54) and 20 December 2021 (RM0.54)
Aggregate options granted and accepted since commencement of ESOS / Number of participants	3,078,500 (44.72%) / 295*
Aggregate options exercised since commencement up to 30 June 2024 / Number of participants	1,556,400 (35.28%) / 112*
Aggregate options outstanding as at 1 July 2024	1,522,100
Aggregate options granted and accepted during FYE 30 June 2025 / Number of participants	-
Aggregate options exercised during FYE 30 June 2025 / Number of participants	100,400 (40.32%) / 11*
Aggregate options outstanding as at 30 June 2025	1,421,700

Note:

* The number of participants include resigned staffs who have fully exercised their ESOS options prior to their resignations, but exclude resigned staffs who have not exercise their ESOS options prior to resignations as it has been lapsed subsequent to their resignations.

Other Compliance Information (Cont'd)

5. ESOS (CONT'D)

(iii) ESOS options granted to the Directors and Senior Management:

Director and Senior Management	Since commencement up to 30 June 2025	During FYE 30 June 2025
Aggregate maximum allocation applicable to the Directors and Senior Management	50.00%	50.00%
Actual granted	*15.49%	-

Note:

* Include resigned Senior Management who have fully exercised their ESOS options prior to their resignations.

By-law 4.1 (c) of the ESOS states that not more than fifty per centum (50%) of the total number of new STC shares 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).

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 2025, 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 2025.

The Directors' Responsibility Statement for the annual audited financial statements is approved by the Board on 9 October 2025.



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 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	9,893,875	1,254,394
Attributable to:-		
Owners of the Company	10,619,646	1,254,394
Non-controlling interests	(725,771)	-
	9,893,875	1,254,394

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2024 are as follows:-

- (i) a special tax-exempt single-tier dividend of RM 0.015 per ordinary share amounting to RM3,538,602 in respect of the financial year ended 30 June 2025 was paid on 21 August 2024; and
- (ii) an interim tax-exempt single-tier dividend of RM 0.016 per ordinary share amounting to RM3,775,099 in respect of the financial year ended 30 June 2025 was paid on 29 November 2024.

The directors do not recommend any final dividend in respect of the financial year ended 30 June 2025.

On 9 October 2025, the Company declared a single-tier interim dividend of RM0.018 per ordinary share in respect of the financial year ending 30 June 2026, payable on 20 November 2025 to the shareholders whose names appeared in the Company's Record of Depositors on 31 October 2025.

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 252,909,600 ordinary shares to 253,158,600 ordinary shares by way of:-
- (i) issuance of 249,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise prices of RM 0.54 each for cash totaling RM 134,460.

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

As at 30 June 2025, the Company held as treasury shares a total of 17,212,605 of its 253,158,600 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM11,678,454.

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

On 2 July 2018, the Company's shareholders approved the establishment of Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued ordinary shares of the Company at any point in time during the existence of ESOS. The ESOS shall be in force for a period of 5 years and the ESOS options are exercisable from 3 July 2018 in accordance to the respective vesting period up to the date of expiry of the ESOS.

On 23 May 2023, the Scheme has been extended for another period of 5 years, expiring on 2 July 2028.

The salient 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.

Directors' Report (Cont'd)

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS are as follows:- (Cont'd)

- (vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted 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 ordinary 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.

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

Grant date	Exercise Price RM	Remaining Contractual Life of Options	← Number of Options over Ordinary Shares →			
			At 01.07.2024	Reallocated	Exercised	At 30.06.2025
16 November 2018	0.54	3 years	2,472,500	-	(249,000)	2,223,500

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.

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.

Directors' Report (Cont'd)

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.

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 incorporate 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 01.07.2024	Bought	Sold	At 30.06.2025
The Company					
Tan Ah Bah @ Tan Ah Ping	– Direct	214,532	-	-	214,532
	– Indirect ⁽¹⁾	108,227,133	-	-	108,227,133
Tan Chung Ling	– Direct	158,854	-	-	158,854
Dato' Yeoh Kim Wah	– Direct	1,174,402	-	(413,900)	760,502
Dato' Tan Wei Neng	– Direct	92,455	-	-	92,455
	– Indirect ⁽²⁾	50,827	-	(28,001)	22,826
Tan Chung Chiah	– Direct	7,145,787	3,435,500	-	10,581,287

		Number of Options under ESOS			
		At 01.07.2024	Granted	Exercised	At 30.06.2025
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 01.07.2024	Bought	Sold	At 30.06.2025
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” section 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 the following transactions:-

	The Group RM	The Company RM
Director – Short-term lease expenses	18,000	-

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' Report (Cont'd)

DIRECTORS' REMUNERATION

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

	From the Company RM	From the Subsidiaries RM
Fees	296,125	10,833
Salaries, bonuses and other benefits	1,322,994	3,369,960
Defined contribution plan	115,440	214,896
Estimated money value of benefits-in-kind	43,217	44,925
	1,777,776	3,640,614

INDEMNITY AND INSURANCE COST

During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiary was RM5,000,000. No indemnity was given to or insurance effected for the auditors of the Company.

SUBSIDIARIES

(a) The details of the Company's 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
Success Electronics & Transformer Manufacturer Sdn. Bhd. ("SETM")	Malaysia	100%	Manufacture of electrical apparatus and industrial lighting.
Success Transformer Marketing Sdn. Bhd. ("STMKT")	Malaysia	100%	Trading, sales and marketing of electrical apparatus and industrial lighting.
Success Transformer Manufacturer Sdn. Bhd.	Malaysia	100%	Investment holding.
SES Property Sdn. Bhd.	Malaysia	100%	Property investment holding.
Aruanmota Sdn. Bhd.	Malaysia	100%	Property investment holding.
Nikkon LED Sdn. Bhd.	Malaysia	80%	Manufacturing of LED lighting.
Daiichi Steel Sdn. Bhd.	Malaysia	100%	Manufacture of metal products focusing on metal stamping parts.
Omega Metal Industries Sdn. Bhd.	Malaysia	100%	Manufacture of metal products focusing on metal casing.

Directors' Report (Cont'd)

SUBSIDIARIES (CONT'D)

(a) The details of the Company's 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
ILCS Technologies Sdn. Bhd.	Malaysia	60%	Trading, sales and marketing of electrical apparatus, lighting and related products.
Success Transformer Pte. Ltd. ("STPL") @	Singapore	100%	Investment holding and to carry on business on electricians, mechanical engineers or any other of alike nature and general contractors.
Ningbo Success Zhenye Luminaire Limited Liabilities Company ("NSZ")	People's Republic of China	60%	Design, manufacture and trading of industrial light fittings and fixtures.
Nikkon Success Kenya Limited	Republic of Kenya	91%	Ceased business operation.
Nikkon Lighting (Thailand) Co., Ltd. @	Thailand	49%	Distribution of lighting and electrical products.
PT. Boxon Nikkon Jayaindo	Indonesia	99%	Wholesale for lighting, mechanical and electrical products, metal enclosure and accessories.
Cerdasnet Sdn. Bhd. (formerly known as Kare For U Sdn. Bhd.)	Malaysia	60%	Trading and marketing of goods related to healthcare products and personal protection equipment.
Global-Pacific Manufacturing Sdn. Bhd.	Malaysia	60%	Provision of aluminium die casting works and distribution of automotive parts and components.
Subsidiary of STMKT A.B.U Hayat Lighting Sdn. Bhd.	Malaysia	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.

Directors' Report (Cont'd)

SUBSIDIARIES (CONT'D)

(a) The details of the Company's 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
Subsidiaries of NSZ			
Ninghai Success Zhenye Casting Limited Liabilities Company	People's Republic of China	60%	Provision of aluminium die-casting, light fittings assembly and mould.
Ningbo Success Gushi International Trading Co.Ltd	People's Republic of China	100%	Trading of industrial light fittings and fixtures.
Subsidiary of STPL			
Nikkon Lighting & Electrical Pte. Ltd.	Singapore	75%	Marketing and distribution of electrical appliances and industrial lighting.

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification other than the following:-

@ *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.*

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 11 October 2024, SETM, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ideahome Centre Sdn. Bhd. for the purchase of all that parcel of property held under HS(D) 80250 PT 8930 Seksyen 20, Bandar Rawang, Daerah Gombak, Negeri Selangor, together with a unit of three (3) storey shop office constructed thereon and bearing postal address No. 18, Jalan R 1/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan for a total consideration of RM 1,200,000. The purchase was completed during the financial year.
- (b) On 23 October 2024, SETM, entered into a sale and purchase agreement with Lee Kian Tiam and Thum Chun Leong for the purchase of all that parcel of property held under HS(D) 80249 PT 8929 Seksyen 20, Bandar Rawang, Daerah Gombak, Negeri Selangor, together with a unit of three (3) storey shop office constructed thereon and bearing postal address No. 16, Jalan R 1/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan for a total consideration of RM 1,200,000. The purchase was completed during the financial year.
- (c) During the financial year, the issued and paid-up share capital of the Company has been increased by RM 185,337 pursuant to the issuance of 249,000 new ordinary shares from the exercise of options under the Company's ESOS.

Directors' Report (Cont'd)

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 21 August 2025, STMKT, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose a unit of condominium measuring approximately 104 square metres located at No. 13-2, The Puri Tower, Persiaran Saujana Puchong, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan, for a total cash consideration of RM 380,000. The disposal is yet to be completed as of report date.
- (b) On 12 September 2025, the Company acquired additional 40% equity interest in Cerdasnet Sdn. Bhd. (formerly known as Kare For U Sdn. Bhd.) ("CSB") from its non-controlling interest for a cash consideration of RM 3. Following the completion of the acquisition, CSB becomes a wholly-owned subsidiary of the Company.
- (c) 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 25,083 pursuant to the issuance of 33,700 new ordinary shares from the exercise of options under the Company's ESOS.

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	362,788	100,000
Non-audit fees	16,628	5,000
	<u>379,416</u>	<u>105,000</u>

Signed in accordance with a resolution of the directors dated 9 October 2025.

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 95 to 176 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 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 9 October 2025.

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 95 to 176 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 9 October 2025

Lo Chiow Lieh
MIA 32657
Chartered Accountant

Before me

Sabrina Binti Syd Mohammed Sebir (W 748)
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 of the Group and of the Company as at 30 June 2025, 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 95 to 176.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 of 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 To the Members of Success Transformer Corporation Berhad (Cont'd)

Key Audit Matters (Cont'd)

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 85,309,840 as at 30 June 2025.</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 63,220,824 as at 30 June 2025.</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.

There are no key audit matters to report for the Company.

Independent Auditors' Report To the Members of Success Transformer Corporation Berhad (Cont'd)

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.

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, IFRS Accounting 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.

Independent Auditors' Report To the Members of Success Transformer Corporation Berhad (Cont'd)

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)

- 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Independent Auditors' Report To the Members of Success Transformer Corporation Berhad (Cont'd)

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

Muar, Johor Darul Takzim
Date: 9 October 2025

Goh Siow Yen
03557/03/2027 J
Chartered Accountant

Statements of Financial Position As at 30 June 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	7	-	-	85,661,656	90,997,266
Investment in associates	8	-	282,446	-	-
Property, plant and equipment	9	88,158,474	89,196,504	-	-
Intangible asset	10	-	-	-	-
Investment properties	11	38,814,505	40,209,112	-	-
Right-of-use assets	12	5,714,459	4,772,917	-	-
Trade receivable	17	633,300	1,393,308	-	-
Amount due from a related party	13	1,629,195	1,813,755	-	-
Other investments	14	10,531,395	10,376,000	-	-
Deferred tax assets	15	180,951	191,599	-	-
		145,662,279	148,235,641	85,661,656	90,997,266
CURRENT ASSETS					
Inventories	16	85,309,840	100,848,741	-	-
Trade receivables	17	62,587,524	64,159,496	-	-
Other receivables, deposits and prepayments	18	9,447,815	10,961,527	1,000	1,000
Contract assets	19	35,499	49,566	-	-
Amount due from subsidiaries	20	-	-	10,960,520	8,497,999
Amount due from associates	21	-	146,314	-	-
Amount due from a related party	13	275,665	211,408	-	-
Other investments	14	116,939,384	102,185,268	-	-
Current tax assets		3,666,266	2,423,897	25,272	25,272
Dividend receivable		-	-	2,000,000	1,753,920
Fixed deposit with a licensed bank	22	18,363	17,943	-	-
Cash and bank balances		30,569,630	27,201,174	193,902	510,722
		308,849,986	308,205,334	13,180,694	10,788,913
TOTAL ASSETS		454,512,265	456,440,975	98,842,350	101,786,179

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

Statements of Financial Position (Cont'd)

As at 30 June 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	74,549,612	74,364,275	74,549,612	74,364,275
Treasury shares	24	(11,678,454)	(11,678,454)	(11,678,454)	(11,678,454)
Reserves	25	319,199,044	318,860,348	12,925,060	19,035,244
Equity attributable to owners of the Company		382,070,202	381,546,169	75,796,218	81,721,065
Non-controlling interests	7(c)	24,807,584	28,125,050	-	-
TOTAL EQUITY		406,877,786	409,671,219	75,796,218	81,721,065
NON-CURRENT LIABILITIES					
Lease liabilities	26	317,275	1,148	-	-
Borrowings	27	6,473,544	10,675,861	-	-
Other payable	29	804,953	758,388	804,953	758,388
Deferred tax liabilities	15	1,742,250	2,056,403	-	-
		9,338,022	13,491,800	804,953	758,388
CURRENT LIABILITIES					
Trade payables	28	9,625,140	12,964,604	-	-
Other payables and accruals	29	20,080,609	17,557,554	145,647	142,470
Amount due to subsidiaries	20	-	-	22,095,532	19,164,256
Amount due to related parties	13	123,567	147,862	-	-
Lease liabilities	26	163,596	142,342	-	-
Borrowings	27	8,202,317	2,350,085	-	-
Current tax liabilities		101,228	115,509	-	-
		38,296,457	33,277,956	22,241,179	19,306,726
TOTAL LIABILITIES		47,634,479	46,769,756	23,046,132	20,065,114
TOTAL EQUITY AND LIABILITIES		454,512,265	456,440,975	98,842,350	101,786,179

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 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	30	223,109,233	231,509,574	9,763,918	10,363,987
COST OF SALES		(159,407,029)	(162,808,674)	-	-
GROSS PROFIT		63,702,204	68,700,900	9,763,918	10,363,987
OTHER INCOME		7,657,538	18,002,861	-	653
SELLING AND DISTRIBUTION EXPENSES		(16,619,111)	(17,878,288)	-	-
ADMINISTRATIVE EXPENSES		(35,511,043)	(36,312,247)	(3,012,329)	(3,007,671)
OTHER EXPENSES		(4,830,124)	(3,022,287)	(5,450,630)	(1,779,269)
PROFIT FROM OPERATIONS		14,399,464	29,490,939	1,300,959	5,577,700
FINANCE COSTS	31	(734,434)	(878,663)	(46,565)	(43,871)
NET REVERSAL OF IMPAIRMENT LOSSES / (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	32	185,395	(197,244)	-	-
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATES, NET OF TAX		-	(42,003)	-	-
PROFIT BEFORE TAX	33	13,850,425	28,373,029	1,254,394	5,533,829
TAX EXPENSE	36	(3,956,550)	(6,072,680)	-	(194,880)
PROFIT AFTER TAX		9,893,875	22,300,349	1,254,394	5,338,949
OTHER COMPREHENSIVE INCOME					
<u>Items that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(5,020,067)	245,283	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		4,873,808	22,545,632	1,254,394	5,338,949

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 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
PROFIT AFTER TAX					
ATTRIBUTABLE TO:-					
Owners of the Company		10,619,646	22,054,009	1,254,394	5,338,949
Non-controlling interests		(725,771)	246,340	-	-
		9,893,875	22,300,349	1,254,394	5,338,949
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		7,703,274	22,032,513	1,254,394	5,338,949
Non-controlling interests		(2,829,466)	513,119	-	-
		4,873,808	22,545,632	1,254,394	5,338,949
EARNINGS PER ORDINARY SHARE (SEN)					
- Basic	37	4.50	9.45		
- Diluted	37	4.49	9.42		

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

Statements of Changes in Equity For the Financial Year Ended 30 June 2025

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 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
Profit after tax for the financial year		-	-	-	-	-	10,619,646	10,619,646	(725,771)	9,893,875
Foreign currency translation differences for foreign operations		-	-	(2,916,372)	-	-	-	(2,916,372)	(2,103,695)	(5,020,067)
Total comprehensive income for the financial year		-	-	(2,916,372)	-	-	10,619,646	7,703,274	(2,829,466)	4,873,808
Contributions by and distributions to owners of the Company:										
Employees' share options exercised		185,337	-	-	-	(50,877)	-	134,460	-	134,460
Dividends to owners of the Company		-	-	-	-	-	(7,313,701)	(7,313,701)	-	(7,313,701)
– by Company	38	-	-	-	-	-	-	-	(488,000)	(488,000)
– by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners		185,337	-	-	-	(50,877)	(7,313,701)	(7,179,241)	(488,000)	(7,667,241)
At 30 June 2025		74,549,612	(11,678,454)	(19,519)	14,288,147	230,362	304,700,054	382,070,202	24,807,584	406,877,786

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 2025

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 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 Company	38	-	-	-	-	-	-	-	(1,299,200)	(1,299,200)
– by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-
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 2025

The Company	Note	Non-Distributable			Distributable		Total Equity RM
		Share Capital RM	Treasury Shares RM	Employees' Share Options Reserve RM	Retained Profits RM		
At 1 July 2024		74,364,275	(11,678,454)	281,239	18,754,005	81,721,065	
Profit after tax for the financial year		-	-	-	1,254,394	1,254,394	
Total comprehensive income for the financial year		-	-	-	1,254,394	1,254,394	
Contributions by and distributions to owners of the Company:							
Employees' share options exercised		185,337	-	(50,877)	-	134,460	
Dividends to owners of the Company	38	-	-	-	(7,313,701)	(7,313,701)	
Total transactions with owners of the Company		185,337	-	(50,877)	(7,313,701)	(7,179,241)	
At 30 June 2025		74,549,612	(11,678,454)	230,362	12,694,698	75,796,218	

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 2025

The Company	Note	Non-Distributable			Distributable		Total Equity RM
		Share Capital RM	Treasury Shares RM	Employees' Share Options Reserve RM	Retained Profits 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 Cash Flows For the Financial Year Ended 30 June 2025

Note	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	13,850,425	28,373,029	1,254,394	5,533,829
Adjustments for:-				
Bad debts written off	18,008	19,123	-	-
Depreciation of investment properties	500,637	559,328	-	-
Depreciation of property, plant and equipment	7,186,647	8,069,283	-	-
Depreciation of right-of-use assets	407,753	2,114,379	-	-
Distribution from trust funds (other investments)	(2,343,124)	(1,239,277)	-	-
Fair value loss/(gain) on other investments	1,504,001	(3,720,569)	-	-
Gain on disposal of other investments	(2,451,942)	(718,587)	-	-
Gain on modification of leases	-	(8,700)	-	-
Gain on disposal of property, plant and equipment	(66,279)	(12,860)	-	-
Gain on disposal of investment property	-	(7,751,845)	-	-
Impairment loss:-				
– investment in subsidiaries	-	-	5,335,610	1,779,269
– receivables	2,011	677,701	-	-
Property, plant and equipment written off	9,332	117,432	-	-
Reversal of:-				
– allowance for impairment loss of receivables	(187,406)	(480,457)	-	-
– write-down of inventories	(3,936,008)	(729,130)	-	-
Share of loss of associates	-	42,003	-	-
Strike-off of an associate	282,446	-	-	-
Unrealised loss on foreign exchange	1,474,763	1,708,407	-	-
Write-down of inventories	3,184,416	2,068,538	-	-
Lost of inventories	67,160	76	-	-
Gain on strike off of subsidiary	-	(592,208)	-	-
Dividend income	-	-	(7,330,000)	(7,948,800)
Interest expense	715,463	838,332	46,565	43,871
Interest income	(101,497)	(258,501)	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES				
	20,116,806	29,075,497	(693,431)	(591,831)
Inventories	16,223,333	(5,522,673)	-	-
Contract assets	14,067	292,763	-	-
Trade and other receivables, deposits and prepayments	2,853,286	2,069,220	(2,462,521)	(2,322,196)
Trade and other payables and accruals	(623,547)	(1,663,384)	2,981,018	5,565,133
CASH FROM/(FOR) OPERATIONS				
	38,583,945	24,251,423	(174,934)	2,651,106
Dividend received	-	-	7,083,920	194,880
Dividend received from trust fund	315,605	-	-	-
Interest paid	(46,565)	(43,871)	(46,565)	(43,871)
Interest received	101,497	258,152	-	-
Tax paid	(5,717,728)	(3,000,442)	-	(203,256)
Tax refund	148,179	776,325	-	330,054
NET CASH FROM OPERATING ACTIVITIES				
	33,384,933	22,241,587	6,862,421	2,928,913

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

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 30 June 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Addition of investment properties		(478,127)	-	-	-
Net increase in deposit pledged		(420)	(404)	-	-
Proceeds from disposal of property, plant and equipment		213,326	484,497	-	-
Proceeds from disposal of investment property		-	13,351,554	-	-
Proceeds from disposal of other investments		106,452,534	107,279,560	-	-
Purchase of property, plant and equipment	39(a)	(7,240,595)	(6,135,170)	-	-
Purchase of other investments		(118,386,585)	(137,700,000)	-	-
NET CASH FOR INVESTING ACTIVITIES		(19,439,867)	(22,719,963)	-	-
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid by the Company		(7,313,701)	(3,212,811)	(7,313,701)	(3,212,811)
Dividends paid by subsidiaries to non-controlling interests		(488,000)	(1,299,200)	-	-
Drawdown of revolving credit		6,000,000	1,000,000	-	-
Interest paid		(668,898)	(794,461)	-	-
Repayment of lease liabilities	39(b)	(189,631)	(1,887,166)	-	-
Repayment of hire purchase payables	39(b)	(224,281)	(429,280)	-	-
Repayment of term loans	39(b)	(4,124,352)	(4,124,352)	-	-
Proceeds from exercise of employees' share option		134,460	305,423	134,460	305,423
NET CASH FOR FINANCING ACTIVITIES		(6,874,403)	(10,441,847)	(7,179,241)	(2,907,388)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,070,663	(10,920,223)	(316,820)	21,525
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(3,702,207)	(388,793)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		27,201,174	38,510,190	510,722	489,197
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(d)	30,569,630	27,201,174	193,902	510,722

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

Notes to the Financial Statements For the Financial Year Ended 30 June 2025

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 9 October 2025.

2. HOLDING COMPANY

The Company is a subsidiary of Omega Attraction Sdn. Bhd., a company incorporate 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 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.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

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”), IFRS Accounting 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)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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.

- 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 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity 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 121: Lack of Exchangeability 1 January 2025

Annual Improvements to MFRS Accounting Standards – Volume 11 1 January 2026

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

5. BASIS OF PREPARATION (CONT'D)

- 5.2 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 aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(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.

(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 3,666,266 and RM 101,228 (2024: RM 2,423,897 and RM 115,509) respectively.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(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.

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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.2 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

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.

(b) Financial Liabilities

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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

6.2 Financial Instruments (Cont'd)

(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.

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	10 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. They are 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 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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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Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

7. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted Shares, At Cost		
At 1 July	109,140,597	109,197,597
Strike off of subsidiary	-	(57,000)
At 30 June	109,140,597	109,140,597
Less : Accumulated Impairment Losses		
At 1 July	18,143,331	16,421,062
Addition	5,335,610	1,779,269
Strike off of subsidiary	-	(57,000)
At 30 June	23,478,941	18,143,331
Carrying Amount		
At 30 June	85,661,656	90,997,266
Represented by:-		
Unquoted shares in Malaysia	77,361,443	82,697,053
Unquoted shares outside Malaysia	8,300,213	8,300,213
	85,661,656	90,997,266

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 RM5,335,610 (2024: RM1,779,269), 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 using the fair value less costs of disposal approach.

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(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
		2025	2024	
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.
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.
Nikken 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.
Success Transformer Pte. Ltd. ("STPL") # @	Singapore	100%	100%	Investment holding and to carry on business on electricians, mechanical engineers or any other of alike nature and general contractors.
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.
Nikken Success Kenya Limited ("NSK")	Republic of Kenya	91%	91%	Ceased business operation.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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
		2025	2024	
Nikon Lighting (Thailand) Co., Ltd. ("NLT") # @	Thailand	49% ^	49% ^	Distribution of lighting and electrical products.
PT. Boxon Nikon Jayaindo ("BNJ") #	Indonesia	99%	99%	Wholesale for lighting, mechanical and electrical products, metal enclosure and accessories.
Cerdasnet Sdn. Bhd. (formerly known as Kare For U Sdn. Bhd.) ("CSB")	Malaysia	60%	60%	Trading and marketing of goods related to healthcare products and personal protection equipment.
Global-Pacific Manufacturing Sdn. Bhd. ("GPM")	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				
Nikon 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 2025

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, Boxon Industries Hardware (M) Sdn. Bhd. was being struck off.
- (c) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
NSZ	40	40	16,785,039	18,091,055
Other individually immaterial subsidiaries	-	-	8,022,545	10,033,995
			<u>24,807,584</u>	<u>28,125,050</u>

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (d) 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	
	2025	2024
	RM	RM
At 30 June		
Non-current assets	9,963,693	12,728,952
Current assets	42,128,107	48,890,283
Current liabilities	(10,129,202)	(16,391,597)
Net assets	41,962,598	45,227,638
Financial Year Ended 30 June		
Revenue	74,495,670	88,152,957
Profit and total comprehensive income for the financial year	1,069,497	1,155,563
Total comprehensive income attributable to non-controlling interests	427,799	462,225
Dividends paid to non-controlling interests	-	1,299,200
Net cash flows from operating activities	4,748,048	7,596,602
Net cash flows from/(for) investing activities	421,938	(3,145,881)
Net cash flows for financing activities	(1,650,172)	(3,248,500)

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

8. INVESTMENT IN ASSOCIATES

	The Group	
	2025 RM	2024 RM
At Carrying Amount		
At 1 July	282,446	320,646
Share of post-acquisition (loss)	-	(42,003)
Strike-off of an associate	(282,446)	-
Exchange differences	-	3,803
At 30 June	-	282,446
Represented by:-		
Unquoted shares outside Malaysia	-	282,446

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

Name of Associates	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
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") * (Note (b))	People's Republic of China	-	40%	Sales of lighting and decorative materials.

* Not a legal requirement to be audited.

- (b) On 6 May 2025, an associate of the Group, BSZ was being struck off.
- (c) 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 2025

9. PROPERTY, PLANT AND EQUIPMENT

The Group – 2025	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 2024	26,574,987	734,586	48,037,214	83,768,276	11,937,937	11,187,766	198,536	182,439,302
Additions	1,434,504	-	1,167,758	2,177,425	506,834	244,785	1,666,516	7,197,822
Disposals	-	-	-	(35,114)	(799,990)	(87,997)	-	(923,101)
Reclassification	-	-	2,110,160	(472,023)	-	-	(1,713,924)	(75,787)
Write off	-	-	-	(139,934)	-	(67,015)	-	(206,949)
Exchange differences	-	-	(728,368)	(3,623,884)	(279,150)	(250,750)	(384)	(4,882,536)
At 30 June 2025	28,009,491	734,586	50,586,764	81,674,746	11,365,631	11,026,789	150,744	183,548,751
Less : Accumulated Depreciation								
At 1 July 2024	-	31,238	13,165,764	61,828,176	7,580,320	9,661,290	-	92,266,788
Charge for the financial year	-	14,692	1,508,595	4,462,392	799,823	401,145	-	7,186,647
Disposals	-	-	-	(33,358)	(654,713)	(87,983)	-	(776,054)
Reclassification	-	-	70,451	(671,148)	-	-	-	(600,697)
Write off	-	-	-	(130,536)	-	(66,980)	-	(197,516)
Exchange differences	-	-	(330,802)	(2,704,347)	(211,469)	(218,182)	-	(3,464,800)
At 30 June 2025	-	45,930	14,414,008	62,751,179	7,513,961	9,689,290	-	94,414,368
Less : Accumulated Impairment Loss								
At 1 July 2024	-	-	152,043	759,462	-	64,505	-	976,010
Write off	-	-	-	(101)	-	-	-	(101)
At 30 June 2025	-	-	152,043	759,361	-	64,505	-	975,909
Carrying Amount								
At 30 June 2025	28,009,491	688,656	36,020,713	18,164,206	3,851,670	1,272,994	150,744	88,158,474

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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

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 2025

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	
	2025	2024
	RM	RM
Carrying Amount		
Freehold land	16,683,959	16,683,959
Factory and shophot buildings	16,295,533	16,727,591
	<u>32,979,492</u>	<u>33,411,550</u>

- (b) Included in plant and machinery of the Group with carrying amount of RM 646,153 (2024: RM 862,999) are held in trust by supplier.
- (c) Included in plant and machinery and motor vehicles of the Group with carrying amounts of RM 162,500 and RM 63,979 (2024: RM 182,000 and RM 599,866) 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	
	2025	2024
	RM	RM
<u>License for software platform</u>		
At Cost		
At 1 July	396,505	396,505
Additions	-	-
At 30 June	<u>396,505</u>	<u>396,505</u>
Less : Accumulated Amortisation		
At 1 July	118,951	118,951
Amortised during the financial year	-	-
At 30 June	<u>118,951</u>	<u>118,951</u>
Less : Accumulated Impairment Losses		
At 1 July	277,554	277,554
Additions	-	-
At 30 June	<u>277,554</u>	<u>277,554</u>
Carrying Amount		
At 30 June	<u>-</u>	<u>-</u>

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 2025

11. INVESTMENT PROPERTIES

	The Group	
	2025 RM	2024 RM
At Cost		
At 1 July	43,543,509	44,171,719
Additions	478,127	-
Reclassification	(1,518,400)	5,809,779
Disposal	-	(6,437,989)
At 30 June	42,503,236	43,543,509
Less : Accumulated Depreciation		
At 1 July	3,196,311	3,585,858
Charge for the financial year	500,637	559,328
Reclassification	(146,303)	(110,595)
Disposal	-	(838,280)
At 30 June	3,550,645	3,196,311
Less : Accumulated Impairment Losses		
At 1 July	138,086	138,086
Addition	-	-
At 30 June	138,086	138,086
Carrying Amount		
At 30 June	38,814,505	40,209,112
Fair Value		
At 30 June	62,584,073	68,116,489

- (a) The investment properties of the Group are leased under operating leases with rentals receivable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 years (2024: 1 to 2 years).

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

	The Group	
	2025 RM	2024 RM
Within 1 year	1,135,500	1,005,400
Between 1 and 2 years	770,500	285,000
Between 2 and 3 years	525,000	-
	2,431,000	1,290,400

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

11. INVESTMENT PROPERTIES (CONT'D)

- (b) Investment properties of the Group with carrying amount of RM 6,873,013 (2024: RM 7,016,060) are charged against banking facilities granted to the Group (Note 27(a)(i)).
- (c) 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
2025				
Investment properties	-	7,200,000	55,384,073	62,584,073
2024				
Investment properties	-	7,200,000	60,916,489	68,116,489

- (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. Included in level 3 fair value of investment properties is an amount of RM 380,000 which has been determined based on purchase consideration in the sale and purchase agreement dated on 21 August 2025.
- (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.
- (d) Rental income and direct operating expenses arising from investment properties during the financial year are as follows:-

	The Group	
	2025 RM	2024 RM
Rental income	1,355,465	997,600
Direct operating expenses		
– generating rental income	583,051	487,996
– non-generating rental income	58,074	59,076

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

12. RIGHT-OF-USE ASSETS

	At 1 July 2024 RM	Additions RM	Depreciation Charges RM	Reclassification RM	Reassessment/ Modification of Lease Liabilities RM	Derecognition due to Lease Modification RM	Exchange Difference RM	At 30 June 2025 RM
The Group 2025								
<i>Carrying Amount</i>								
Leasehold land	4,301,233	-	(75,483)	847,188	-	-	-	5,072,938
Office and factory buildings	341,759	-	(164,165)	-	-	-	(25,466)	152,128
Hostels	27,719	-	(27,719)	-	-	-	-	-
Motor vehicle	90,063	383,682	(129,843)	-	109,466	-	(6,451)	446,917
Office equipment	12,143	47,452	(10,543)	-	-	(5,800)	(776)	42,476
	4,772,917	431,134	(407,753)	847,188	109,466	(5,800)	(32,693)	5,714,459

	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

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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 72 - 87 (2024: 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 3 (2024: 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 NIL (2024: 2) 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 - 5 (2024: 4) years. The lease is secured by the leased asset.
 - (v) Office equipment The Group has leased an office equipment that run for 5 (2024: 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 3,651,925 (2024: RM 3,711,066) are charged against banking facilities granted to the Group (Note 27(a)(i)).

13. AMOUNT DUE FROM/(TO) RELATED PARTIES

	The Group	
	2025	2024
	RM	RM
Amount Due from A Related Party		
<i>Non-current</i>		
Trade balance	1,629,195	1,813,755
<i>Current</i>		
Trade balances	275,665	211,408
	1,904,860	2,025,163
Amount Due To Related Parties		
<i>Current</i>		
Trade balances	(16,132)	(33,279)
Non-trade balance	(107,435)	(114,583)
	(123,567)	(147,862)

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

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

- (a) The trade amount due from a related party amounting to RM 1,904,860 (2024: RM 2,025,163) is repayable by 180 (2024: 180) monthly instalments and measured at amortised cost at imputed rate of 3.1% (2024: 3.1%) per annum.
- (b) The trade amount due to related parties is on credit terms of 90 days (2024: 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 (2024: 30 days).

14. OTHER INVESTMENTS

14.1 Investment At Fair Value Through Other Comprehensive Income

	The Group	
	2025	2024
	RM	RM
<i>Non-current</i>		
Unquoted ordinary shares, at fair value	29,395	-

The group has designated the above equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

14.2 Investment At Fair Value Through Profit or Loss

	The Group	
	2025	2024
	RM	RM
<i>Non-current</i>		
Fixed income trust funds, at fair value	10,502,000	10,376,000
<i>Current</i>		
Equity trust funds, at fair value	23,667,959	20,217,341
Fixed income trust funds, at fair value	86,301,775	76,199,879
Money market funds, at fair value	6,969,650	5,768,048
	116,939,384	102,185,268
	127,441,384	112,561,268

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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	
	2025 RM	2024 RM
At 1 July	(1,864,804)	(2,686,944)
Recognised in profit or loss:- (Note 36(a))		
– Accelerated capital allowance	(20,716)	19,821
– Allowance for impairment loss on receivables	-	(47,566)
– Others	212,010	703,609
– Exchange differences	(54,132)	(22,225)
– Overprovision in prior years	166,343	168,501
At 30 June	(1,561,299)	(1,864,804)
Presented after appropriate offsetting as follow:-		
Deferred tax assets	180,951	191,599
Deferred tax liabilities	(1,742,250)	(2,056,403)
At 30 June	(1,561,299)	(1,864,804)

16. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	46,017,110	57,710,570
Work-in-progress	5,617,659	5,916,638
Finished goods	33,675,071	37,221,533
	85,309,840	100,848,741
Recognised in profit or loss:-		
Inventories recognised as cost of sales	159,180,541	162,730,742
Write-down of inventories	3,184,416	2,068,538
Reversal of inventories write-down	(3,936,008)	(729,130)

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

17. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM	RM
<i>Non-current</i>		
Trade receivable	633,300	1,393,308
<i>Current</i>		
Trade receivables	65,520,349	67,421,041
Less : Allowance for impairment losses (Note 43.1(b)(iii))	(2,932,825)	(3,261,545)
	62,587,524	64,159,496
	63,220,824	65,552,804

- (a) Included in the Group's non-current and current trade receivables is an amount of RM 1,773,312 (2024: RM 2,343,318) which is repayable by 60 (2024: 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 (2024: 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 NIL (2024: RM 18,856). The retention sums are generally on credit terms up to NIL days (2024: 360 days).

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deposits to suppliers	5,314,571	6,398,293	-	-
Deposits	664,354	732,467	1,000	1,000
Prepayments	1,837,288	1,208,226	-	-
Sales tax/goods and services tax recoverable	553,765	1,596,658	-	-
Sundry receivables	1,077,837	1,025,883	-	-
	9,447,815	10,961,527	1,000	1,000

- (a) Included in the deposits to suppliers is an amount of RM 173,577 (2024: RM NIL) 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 2025

19. CONTRACT ASSETS

	The Group	
	2025	2024
	RM	RM
Contract Assets		
Contract assets relating to sales of goods	35,499	49,566

(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	
	2025	2024
	RM	RM
At 1 July	49,566	342,329
Performance obligation performed	35,690	-
Transfer to trade receivables	(47,341)	(297,085)
Exchange differences	(2,416)	4,322
At 30 June	35,499	49,566
Represented by:-		
Contract assets	35,499	49,566

20. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	The Company	
	2025	2024
	RM	RM
Amount Due from Subsidiaries		
<i>Current</i>		
Trade balances	9,256,350	6,822,431
Non-trade balances	1,704,170	1,675,568
	10,960,520	8,497,999
Amount Due to Subsidiaries		
<i>Current</i>		
Non-trade balances	(22,095,532)	(19,164,256)

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 2025

21. AMOUNT DUE FROM ASSOCIATES

	The Group	
	2025	2024
	RM	RM
<i>Current</i>		
Trade balances	613,332	824,015
Less: Allowance for impairment losses (Note 43.1(b)(iii))	(613,332)	(677,701)
	-	146,314

The trade amount due from associates are non-interest bearing and generally on credit terms of 7 - 180 days (2024: 7 - 180 days) from invoice date or the first day of the immediate following month after sales invoice date, whichever applicable.

22. FIXED DEPOSIT WITH A LICENSED BANK

	The Group	
	2025	2024
	RM	RM
Fixed deposit with a licensed bank	18,363	17,943

(a) The fixed deposit with a licensed bank of the Group at the end of the reporting period amounting to RM 18,363 (2024: RM 17,943) is pledged to licensed banks as security for banking facilities which have been granted to the Group (Note 27(a)(iii)).

(b) The effective interest rate (per annum) of fixed deposit with a licensed bank at the end of the reporting period is as follows:-

	The Group	
	2025	2024
	%	%
Fixed deposit with a licensed bank	2.4	2.4

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

	The Group	
	2025	2024
	Days	Days
Fixed deposit with a licensed bank	365	365

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

23. SHARE CAPITAL

	The Group and The Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Issued and Fully Paid-Up:-				
Ordinary Shares				
At 1 July	252,909,600	74,364,275	252,344,000	73,943,285
New shares issued under the employees' share option scheme for cash (Note 25 (c))	249,000	185,337	565,600	420,990
At 30 June	253,158,600	74,549,612	252,909,600	74,364,275

- (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 252,909,600 ordinary shares to 253,158,600 ordinary shares by way of:-
- (i) Issuance of 249,000 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 RM134,460.
- (c) In the previous financial year, the Company increased its issued and paid-up share capital from 252,344,000 ordinary shares to 252,909,600 ordinary shares 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 RM305,423.

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 2025

24. TREASURY SHARES

	The Group and The Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
At Cost				
At 1 July	17,212,605	11,678,454	22,949,254	15,570,770
Distributed as share dividend	-	-	(5,736,649)	(3,892,316)
At 30 June	17,212,605	11,678,454	17,212,605	11,678,454

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.

During the previous 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.

Out of total 253,158,600 (2024: 252,909,600) issued and fully paid ordinary shares at 30 June 2025, 17,212,605 (2024: 17,212,605) ordinary shares are held as treasury shares by the Company. Therefore, the number of outstanding ordinary shares in issue and fully paid is 235,945,995 (2024: 235,696,995).

25. RESERVES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-Distributable				
Translation reserve	(19,519)	2,896,853	-	-
Capital reserve	14,288,147	14,288,147	-	-
Employees' share option reserve	230,362	281,239	230,362	281,239
Distributable				
Retained profits	304,700,054	301,394,109	12,694,698	18,754,005
	319,199,044	318,860,348	12,925,060	19,035,244

(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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

25. RESERVES (CONT'D)

(b) Capital Reserve

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

(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 scheme has been extended for another 5 years, expiring on 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 pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted 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 ordinary 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 2025

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:-

Grant date	Exercise Price RM	Remaining Contractual Life of Options	← Number of Options over Ordinary Shares →			
			At	Reallocated	Exercised	At
			01.07.2024			30.06.2025
16 November 2018	0.54	3 years	2,472,500	-	(249,000)	2,223,500

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

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 scheme has been extended for another 5 years, expiring 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 inputs used in the measurement of the fair value at grant date were as follows:-

	The Group and The Company	
	2025	2024
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 2025

26. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 July	143,490	2,162,824
Acquisition of new leases	431,134	-
Interest expense recognised in profit or loss (Note 31)	12,075	80,096
Repayment of principal	(189,631)	(1,887,166)
Repayment of interest expense	(12,075)	(80,096)
Reassessment/Modification of leases	109,466	55,849
Derecognition due to lease modification	(5,800)	(209,956)
Exchange differences	(7,788)	21,939
At 30 June	480,871	143,490
Analysed by:-		
Current liabilities	163,596	142,342
Non-current liabilities	317,275	1,148
	480,871	143,490

27. BORROWINGS

	The Group	
	2025 RM	2024 RM
Current		
Secured		
– Revolving credit	7,000,000	1,000,000
– Term loans	1,124,352	1,124,352
– Hire purchase payables	77,965	225,733
	8,202,317	2,350,085
Non-current		
Secured		
– Term loans	6,454,844	10,579,196
– Hire purchase payables	18,700	96,665
	6,473,544	10,675,861
Total borrowings	14,675,861	13,025,946

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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(b)) and certain right-of-use assets (Note 12(c)) of the Group.
 - (ii) Corporate guarantee provided by the Company;
 - (iii) Fixed deposit with a licensed bank 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	
	2025 %	2024 %
Revolving credit	4.6 - 5.1	4.5
Term loans	4.7 - 5.0	4.7 - 5.0
Hire purchase payables	6.3 - 6.9	3.6 - 6.9

28. TRADE PAYABLES

The normal trade terms granted to the Group are cash - 120 days credit (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Current				
Sundry payable	804,953	758,388	804,953	758,388
Current				
Advance payment from customers	1,790,836	1,349,111	-	-
Amount due to a director	1,000	51,323	1,000	-
Accruals	14,402,653	13,332,867	141,896	141,003
Deposit received	305,170	302,782	-	-
Sales tax/goods and services tax payable	923,814	1,049,198	-	-
Sundry payables	2,657,136	1,472,273	2,751	1,467
	20,080,609	17,557,554	145,647	142,470
	20,885,562	18,315,942	950,600	900,858

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

29. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (a) The amount due to a director is unsecured, interest-free and repayable on demand.
- (b) Included in sundry payables of the Group is an amount of RM 130,804 (2024: RM 10,000) 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% (2024: 5.6%) per annum.

30. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of transformer, industrial lighting and related products	207,857,558	220,163,244	-	-
Rendering of maintenance services	109,676	454,967	-	-
Sales of healthcare related products	43,926	75,732	-	-
Sales of aluminium of die casting works and motor cycle parts	15,098,073	10,815,631	-	-
	<u>223,109,233</u>	<u>231,509,574</u>	-	-
Revenue from Other Sources				
Dividend income	-	-	7,330,000	7,948,800
Management fee income	-	-	2,433,918	2,415,187
	-	-	<u>9,763,918</u>	<u>10,363,987</u>
	<u>223,109,233</u>	<u>231,509,574</u>	<u>9,763,918</u>	<u>10,363,987</u>

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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 and motor cycle parts

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 are recognised in the period in which the services are rendered.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

31. FINANCE COSTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest on:-				
Hire purchase	12,731	29,990	-	-
Imputed interest on a long-term payable	46,565	43,871	46,565	43,871
Lease liabilities	12,075	80,096	-	-
Revolving credit	156,941	7,430	-	-
Term loans	487,151	676,945	-	-
	715,463	838,332	46,565	43,871
Commitment fee	13,819	35,619	-	-
Bank guarantee charges	2,227	-	-	-
LC and other charges	2,925	4,712	-	-
	734,434	878,663	46,565	43,871

32. NET (REVERSAL OF IMPAIRMENT LOSSES) / IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Impairment losses:-				
(Note 43.1(b)(iii))				
– trade receivables	2,011-	-	-	-
– amount due from associates	-	677,701	-	-
Reversal of impairment losses:-				
(Note 43.1(b)(iii))				
– trade receivables	(187,406)	(480,457)	-	-
	(185,395)	197,244	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

33. PROFIT BEFORE TAX

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax is arrived at after charging:-				
Auditors' remuneration:-				
– audit fee:-				
– current financial year	362,788	369,472	100,000	100,000
– underprovision in the previous financial year	1,000	4,045	-	-
– non-audit fee:-				
– auditors of the Company	5,000	5,000	5,000	5,000
– other auditors	11,628	9,749	-	-
Bad debts written off	18,008	19,123	-	-
Depreciation:-				
– investment properties	500,637	559,328	-	-
– property, plant and equipment	7,186,647	8,069,283	-	-
– right-of-use assets	407,753	2,114,379	-	-
Fair value loss on financial assets measured at fair value through profit or loss mandatorily (other investments)	1,504,001	-	-	-
Impairment loss:-				
– investments in subsidiaries	-	-	5,335,610	1,779,269
Property, plant and equipment written off	9,332	117,432	-	-
Loss on foreign exchange:-				
– realised	311,996	-	115,020	-
– unrealised	1,474,763	1,708,407	-	-
Short-term lease expenses	2,436,481	580,336	-	-
Rental expenses	311,404	261,052	-	-
Research and development expenses	7,598,811	8,326,263	-	-
Share of loss of associate	-	42,003	-	-
Strike-off of an associate	282,446	-	-	-
Write-down of inventories	3,184,416	2,068,538	-	-
Lost of inventories	67,160	76	-	-

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

33. PROFIT BEFORE TAX (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
and (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	(101,497)	(258,152)	-	-
Deposit forfeited	(21,000)	(15,000)	-	-
Distribution from trust funds (other investments)	(2,343,124)	(1,239,277)	-	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily (other investments)	-	(3,720,569)	-	-
Gain on disposal of investment property	-	(7,751,845)	-	-
Gain on disposal of property, plant and equipment	(66,279)	(12,860)	-	-
Gain on disposal of other investments	(2,451,942)	(718,587)	-	-
Gain on modification of leases	-	(8,700)	-	-
Gain on strike off of subsidiary	-	(592,208)	-	-
Gain on foreign exchange:-				
– realised	-	(2,226,089)	-	-
Government grants	(281,275)	(341,517)	-	-
Rental income	(1,402,200)	(1,016,080)	-	-
Reversal of write-down of inventories	(3,936,008)	(729,130)	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

34. DIRECTORS' REMUNERATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Directors of the Company</u>				
Executive Directors:-				
Fees	10,833	10,833	-	-
Salaries, bonuses and other benefits	4,683,054	4,210,999	1,313,094	1,381,917
Defined contribution plan	330,336	318,000	115,440	113,712
	5,024,223	4,539,832	1,428,534	1,495,629
Benefits-in-kind	88,142	52,067	43,217	33,850
	5,112,365	4,591,899	1,471,751	1,529,479
Non-executive Directors:-				
Fees	296,125	279,363	296,125	279,363
Salaries, bonuses and other benefits	9,900	9,000	9,900	9,000
	306,025	288,363	306,025	288,363
	5,418,390	4,880,262	1,777,776	1,817,842
<u>Directors of the subsidiaries</u>				
Fees	28,113	28,113	-	-
Salaries, bonuses and other benefits	4,909,218	4,233,596	-	-
Defined contribution plan	342,177	327,344	-	-
	5,279,508	4,589,053	-	-
Benefits-in-kind	38,367	37,750	-	-
	5,317,875	4,626,803	-	-
Total Directors' Remuneration	10,736,265	9,507,065	1,777,776	1,817,842

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

35. EMPLOYEE BENEFITS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors' Remuneration (excluding benefits-in-kind) (Note 34)	10,303,731	9,128,885	1,428,534	1,495,629
Other Staff Costs				
Wages, salaries and bonuses	43,997,881	43,947,730	747,607	684,868
Defined contribution plan	3,552,520	3,489,075	50,441	47,380
Other benefits	7,037,345	6,529,540	34,796	20,207
	54,587,746	53,966,345	832,844	752,455
Total Staff Costs	64,891,477	63,095,230	2,261,378	2,248,084

36. TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Components of tax expense				
Current tax expense:-				
– Malaysian income tax	4,200,739	5,785,433	-	-
– Foreign income tax	39,006	56,106	-	-
Deferred tax expense relating to reversal of temporary differences	(191,294)	(675,864)	-	-
Withholding tax	-	194,880	-	194,880
Under/(Over)provision in prior years:-				
– current tax	74,442	(218,061)	-	-
– deferred tax	(166,343)	(168,501)	-	-
	3,956,550	4,973,993	-	194,880
Real property gains tax	-	1,098,687	-	-
	3,956,550	6,072,680	-	194,880

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
(b) Reconciliation of tax expense				
Profit before tax	13,850,425	28,373,029	1,254,394	5,533,829
Tax at statutory income tax rate of 24%	3,324,674	6,809,527	301,000	1,328,000
Tax effect of:-				
– different tax rates of foreign subsidiaries	507,807	(33,822)	-	-
– non-deductible expenses	1,752,768	1,905,032	1,352,000	506,000
– non-taxable income	(2,568,538)	(3,238,297)	(1,759,000)	(1,908,000)
– double deduction relief	(63,000)	-	-	-
Deferred tax assets not recognised during the year	1,233,885	1,885,385	106,000	74,000
Difference in tax rate on capital gain	-	(1,860,443)	-	-
Utilisation of deferred tax assets previously not recognised	(139,145)	(301,707)	-	-
Withholding tax	-	194,880	-	194,880
Real property gains tax	-	1,098,687	-	-
Under/(Over)provision in prior years:-				
– current tax	74,442	(218,061)	-	-
– deferred tax	(166,343)	(168,501)	-	-
	3,956,550	6,072,680	-	194,880

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 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 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Unused tax losses of Malaysian entities:-				
– expires year of assessment 2028	3,196,000	3,675,000	-	-
– expires year of assessment 2029	1,400,000	1,400,000	-	-
– expires year of assessment 2030	1,976,000	1,976,000	404,000	404,000
– expires year of assessment 2031	1,858,000	2,272,000	222,000	222,000
– expires year of assessment 2032	2,511,000	2,627,000	226,000	226,000
– expires year of assessment 2033	1,032,000	1,032,000	267,000	267,000
– expires year of assessment 2034	1,274,000	1,274,000	280,000	280,000
– expires year of assessment 2035	1,448,000	-	442,000	-
Unused tax losses of foreign entities	5,977,000	4,528,000	-	-
Unabsorbed capital allowances	7,260,000	5,945,000	-	-
Unutilised reinvestment allowances	2,006,000	2,006,000	-	-
	29,938,000	26,735,000	1,841,000	1,399,000

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 2025

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	
	2025	2024
	RM	RM
Profit after tax attributable to owners of the Company	10,619,646	22,054,009
	Units	Units
Weighted average number of ordinary shares in issue	235,939,461	233,352,109
Basic earnings per ordinary share (sen)	4.50	9.45

(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	
	2025	2024
	RM	RM
Profit after tax attributable to owners of the Company	10,619,646	22,054,009
	Units	Units
Weighted average number of ordinary shares in issue for basic earnings per share	235,939,461	233,352,109
Shares deemed to be issued for no consideration:-		
Employees' share options in issue	536,884	774,170
Weighted average number of ordinary shares in issue for diluted earnings per share	236,476,345	234,126,279
Diluted earnings per ordinary share (sen)	4.49	9.42

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

38. DIVIDENDS

	The Group and The Company	
	2025 RM	2024 RM
In respect of the financial year ended 30 June 2025		
A special single-tier dividend of 1.5 sen per ordinary share	3,538,602	-
An interim single-tier dividend of 1.6 sen per ordinary share	3,775,099	-
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
	<u>7,313,701</u>	<u>7,105,127</u>

On 9 October 2025, the Company declared a single-tier interim dividend of RM0.018 per ordinary share in respect of the financial year ending 30 June 2026, payable on 20 November 2025 to the shareholders whose names appeared in the Company's Record of Depositors on 31 October 2025.

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	
	2025 RM	2024 RM
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 9)	7,197,822	6,315,627
Less: Finance via hire purchase (Note (b) below)	-	(155,000)
Less: Unpaid balance included in sundry payables (Note 29(b))	(130,804)	(10,000)
Add: Deposit paid for future purchase (Note 18(a))	173,577	-
Less: Deposit made in previous financial year	-	(20,000)
Add: Cash paid in respect of acquisition in previous financial year	-	4,543
Cash paid during the financial year	<u>7,240,595</u>	<u>6,135,170</u>
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 12)	431,134	-
Less: Addition of new lease liabilities (Note 26)	(431,134)	-
	<u>-</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

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 – 2025					
At 1 July 2024	1,000,000	11,703,548	143,490	322,398	13,169,436
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	6,000,000	-	-	-	6,000,000
Repayment of principal	-	(4,124,352)	(189,631)	(224,281)	(4,538,264)
Repayment of interests	(156,941)	(487,151)	(12,075)	(12,731)	(668,898)
	5,843,059	(4,611,503)	(201,706)	(237,012)	792,838
<u>Non-cash Changes</u>					
Aquisition of new lease	-	-	431,134	-	431,134
Reassessment / Modification of leases	-	-	109,466	-	109,466
Derecognition due to lease modification	-	-	(5,800)	-	(5,800)
Interest expense recognised in profit or loss (Note 31)	156,941	487,151	12,075	12,731	668,898
	156,941	487,151	546,875	12,731	1,203,698
Exchange differences	-	-	(7,788)	(1,452)	(9,240)
	156,941	487,151	539,087	11,279	1,194,458
At 30 June 2025	7,000,000	7,579,196	480,871	96,665	15,156,732

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:- (cont'd)

	Revolving credit RM	Term loans RM	Lease liabilities 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
Changes in Financing Cash Flows					
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)
Non-cash Changes					
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 2025

39. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025	2024
	RM	RM
Payment of short-term leases	195,214	580,336
Interest paid on lease liabilities	12,075	80,096
Payment of lease liabilities	189,631	1,887,166
	<u>396,920</u>	<u>2,547,598</u>

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	30,569,630	27,201,174	193,902	510,722
Fixed deposit with a licensed bank (Note 22)	18,363	17,943	-	-
	<u>30,587,993</u>	<u>27,219,117</u>	<u>193,902</u>	<u>510,722</u>
Less: Fixed deposit pledged to a licensed bank	(18,363)	(17,943)	-	-
	<u>30,569,630</u>	<u>27,201,174</u>	<u>193,902</u>	<u>510,722</u>

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 2025

40. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

The Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
– Management fee income	-	-	(2,433,918)	(2,415,187)
– Dividend income	-	-	(7,330,000)	(7,948,800)
Associates				
– Sale of goods	(136,475)	(307,219)	-	-
Companies controlled by certain directors				
– Sale of goods	(1,030,877)	(1,181,561)	-	-
– Purchase of goods	147,031	280,999	-	-
– Short-term lease expenses	1,655,667	438,046	-	-
– Payment of lease liabilities	-	1,571,753	-	-
– Interest paid on lease liabilities	-	54,932	-	-
Corporate shareholder carry significant influence				
– Purchase of goods	4,212	-	-	-
– Purchase of property, plant and equipment	119,359	-	-	-
– Imputed interest on long term trade receivables	(26,432)	(45,694)	-	-
Director				
– Short-term lease expenses	646,300	18,000	-	-

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 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term employee benefits	10,513,577	9,333,463	2,195,453	2,231,839
Defined contribution plan	702,153	672,464	145,080	140,832
	11,215,730	10,005,927	2,340,533	2,372,671
Included in the total key management personnel compensation are:-				
– Directors of the Group and of the Company (excluding benefits-in-kind) (Note 34)	10,609,756	9,417,248	1,734,559	1,783,992
– Other key management personnel:-				
Short-term employee benefits	576,334	561,559	576,334	561,559
Defined contribution plan	29,640	27,120	29,640	27,120
	605,974	588,679	605,974	588,679
	11,215,730	10,005,927	2,340,533	2,372,671

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 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	121,605,298	120,013,237	116,594,396	115,323,980
People's Republic of China	34,465,579	35,886,692	9,480,022	12,129,580
Other countries	67,038,356	75,609,645	6,613,020	7,007,419
Consolidated	223,109,233	231,509,574	132,687,438	134,460,979

The information on the disaggregation of revenue based on geographical region is summarised below:-

The Group – 2025	At A Point in Time RM	Over Time RM	Total RM
Malaysia	121,605,298	-	121,605,298
People's Republic of China	34,465,579	-	34,465,579
Other countries	67,038,356	-	67,038,356
Consolidated	223,109,233	-	223,109,233

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

(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 2025

42. CAPITAL COMMITMENTS

	The Group	
	2025	2024
	RM	RM
Purchase of property, plant and equipment	491,807	970,804

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 2025

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
2025						
<u>Financial Assets</u>						
Trade receivables	5,159,513	3,124,103	13,610,054	1,841,803	39,485,351	63,220,824
Other receivables	628	118,958	382,306	29,558	546,387	1,077,837
Amount due from a related party	-	-	-	-	1,904,860	1,904,860
Cash and bank balances	3,478,772	3,218,669	9,922,620	3,433,302	10,516,267	30,569,630
	8,638,913	6,461,730	23,914,980	5,304,663	52,452,865	96,773,151
<u>Financial Liabilities</u>						
Lease liabilities	-	(480,871)	-	-	-	(480,871)
Borrowings	-	-	-	-	(14,675,861)	(14,675,861)
Trade payables	(12,400)	(619,015)	(6,735,430)	(493,102)	(1,765,193)	(9,625,140)
Other payables and accruals	(649,335)	(304,362)	(2,916,581)	(45,214)	(13,950,250)	(17,865,742)
Amount due to related parties	-	-	(16,132)	-	(107,435)	(123,567)
	(661,735)	(1,404,248)	(9,668,143)	(538,316)	(30,498,739)	(42,771,181)
Net financial assets	7,977,178	5,057,482	14,246,837	4,766,347	21,954,126	54,001,970
Less : Net financial (assets) denominated in the respective entities' functional currency	-	(2,444,182)	(14,332,058)	(3,683,234)	(21,954,126)	(42,413,600)
Currency exposure	7,977,178	2,613,300	(85,221)	1,083,113	-	11,588,370

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

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:- (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	USD RM	SGD RM	RMB RM	Others RM	RM RM	Total RM
2024						
Financial Assets						
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 a related party	-	-	-	-	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
Financial Liabilities						
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 2025

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	Others RM	RM RM	Total RM
2025			
<u>Financial Liabilities</u>			
Amount due to subsidiaries	(942,013)	(21,153,519)	(22,095,532)
Net financial (liabilities)	(942,013)	(21,153,519)	(22,095,532)
Less: Net financial liabilities denominated in the Company's functional currency	-	21,153,519	21,153,519
Currency exposure	(942,013)	-	(942,013)

The Company	RMB RM	Others RM	RM RM	Total RM
2024				
<u>Financial Liabilities</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

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Effects on Profit After Tax				
USD / RM				
– strengthened by 5%	303,133	237,389	-	-
– weakened by 5%	(303,133)	(237,389)	-	-
SGD / RM				
– strengthened by 5%	99,305	184,322	-	-
– weakened by 5%	(99,305)	(184,322)	-	-
RMB / RM				
– strengthened by 5%	(3,238)	-	-	66,649
– weakened by 5%	3,238	-	-	(66,649)
Others / RM				
– strengthened by 5%	41,158	27,676	(35,796)	(35,796)
– weakened by 5%	(41,158)	(27,676)	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 2025

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	
	2025	2024
	RM	RM
Floating rate instruments		
Term loans	7,579,196	11,703,548

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	
	2025	2024
	RM	RM
Effects on Profit After Tax		
Increase of 50 basis points	(37,632)	(52,212)
Decrease of 50 basis points	37,632	52,212

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 2025

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	
	2025	2024
	RM	RM
By country:-		
Malaysia	41,789,908	41,636,195
People's Republic of China	12,740,000	12,528,236
Singapore	3,110,270	3,920,059
Other countries	7,485,506	9,639,791
	65,125,684	67,724,281

At the end of the reporting period, the Group does not have any significant credit risk related to any individual customer or counterparty.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(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.

(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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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

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.

The expected loss rates are based on the payment profiles of sales over 24 months (2024: 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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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

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 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)
Balance at 30 June 2024/1 July 2024	884,349	3,054,897	3,939,246
Additions (Note 32)	2,011	-	2,011
Reversals (Note 32)	(68,473)	(118,933)	(187,406)
Exchange difference	(80,557)	(127,137)	(207,694)
Balance at 30 June 2025	737,330	2,808,827	3,546,157

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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
2025				
Current (not past due)	51,130,167	-	-	51,130,167
1 to 30 days past due	10,647,616	-	-	10,647,616
31 to 60 days past due	1,730,464	-	-	1,730,464
61 to 90 days past due	814,370	-	-	814,370
More than 91 days past due	302,017	-	(2,383)	299,634
Credit impaired	4,047,207	(2,808,827)	(734,947)	503,433
Trade receivables	68,671,841	(2,808,827)	(737,330)	65,125,684
Contract assets	35,499	-	-	35,499
	68,707,340	(2,808,827)	(737,330)	65,161,183
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

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 2025

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 Deposit with a Licensed Bank, 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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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)

The Company also applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

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:-

Category	Definition of Category	Loss Allowance
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.

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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)

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.

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 2025

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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
2025						
Non-derivative Financial Liabilities						
Trade payables	-	9,625,140	9,625,140	9,625,140	-	-
Other payables and accruals	5.6	17,865,742	17,900,789	17,060,789	840,000	-
Amount due to related parties	-	123,567	123,567	123,567	-	-
Lease liabilities	5.3 - 6.5	480,871	545,366	189,146	356,220	-
Borrowings:-						
– Hire purchase payables	6.3 - 6.9	96,665	100,423	81,490	18,933	-
– Term loans	4.7 - 5.0	7,579,196	9,268,114	1,462,286	4,431,129	3,374,699
– Revolving credit	4.6 - 5.1	7,000,000	7,000,000	7,000,000	-	-
		42,771,181	44,563,399	35,542,418	5,646,282	3,374,699

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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
2024						
Non-derivative Financial Liabilities						
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 2025

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
2025					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	5.6	950,600	985,647	145,647	840,000
Amount due to subsidiaries	-	22,095,532	22,095,532	22,095,532	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	-	10,696,000	10,696,000	-
		23,046,132	33,777,179	32,937,179	840,000
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

* 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 2025

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investments	127,441,384	112,561,268	-	-
<u>Fair Value Through Other Comprehensive Income</u>				
Other investments	29,395	-	-	-
<u>Amortised Cost</u>				
Trade receivables	63,220,824	65,552,804	-	-
Other receivables	1,077,837	1,025,883	-	-
Amount due from subsidiaries	-	-	10,960,520	8,497,999
Amount due from associates	-	146,314	-	-
Amount due from a related party	1,904,860	2,025,163	-	-
Dividend receivable	-	-	2,000,000	1,753,920
Fixed deposit with a licensed bank	18,363	17,943	-	-
Cash and bank balances	30,569,630	27,201,174	193,902	510,722
	96,791,514	95,969,281	13,154,422	10,762,641

Notes to the Financial Statements (Cont'd)

For the Financial Year Ended 30 June 2025

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 Classification of Financial Instruments (Cont'd)

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities	480,871	143,490	-	-
Borrowings	14,675,861	13,025,946	-	-
Trade payables	9,625,140	12,964,604	-	-
Other payables and accruals	17,865,742	15,614,851	950,600	900,858
Amount due to subsidiaries	-	-	22,095,532	19,164,256
Amount due to related parties	123,567	147,862	-	-
	42,771,181	41,896,753	23,046,132	20,065,114

43.4 Gains or Losses Arising from Financial Instruments

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:-				
– mandatorily required by MFRS 9	3,291,065	5,678,782	-	-
<u>Amortised Cost</u>				
Net (losses) recognised in profit or loss	(1,507,753)	(1,470,577)	-	-
Financial Liabilities				
<u>Amortised Cost</u>				
Net (losses) recognised in profit or loss	(413,587)	(1,039,089)	(46,565)	(43,871)

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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 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								
2025								
Financial Assets								
Trade receivable (Note 17(a))	-	-	-	-	-	1,717,253	1,717,253	1,773,312
Other investments	-	127,441,384	29,395	-	-	-	- 127,470,779	127,470,779
Amount due from a related party (Note 13(a))	-	-	-	-	-	1,940,422	1,940,422	1,904,860
Financial Liabilities								
Other payable (Note 29)	-	-	-	-	-	786,291	786,291	804,953
Term loans	-	-	-	-	7,579,196	-	7,579,196	7,579,196
Hire purchase payables	-	-	-	-	97,079	-	97,079	96,665

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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								
2024								
<u>Financial Assets</u>								
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
<u>Financial Liabilities</u>								
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
The Company								
2025								
<u>Financial Liability</u>								
Other payable (Note 29)	-	-	-	-	-	786,291	786,291	804,953
2024								
<u>Financial Liability</u>								
Other payable (Note 29)	-	-	-	-	-	735,607	735,607	758,388

Notes to the Financial Statements (Cont'd) For the Financial Year Ended 30 June 2025

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% (2024: 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 6.3% - 6.9% (2024: 3.3% - 6.8%).

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 11 October 2024, SETM, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ideahome Centre Sdn. Bhd. for the purchase of all that parcel of property held under HS(D) 80250 PT 8930 Seksyen 20, Bandar Rawang, Daerah Gombak, Negeri Selangor, together with a unit of three (3) storey shop office constructed thereon and bearing postal address No. 18, Jalan R 1/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan for a total consideration of RM 1,200,000. The purchase was completed during the financial year.
- (b) On 23 October 2024, SETM, entered into a sale and purchase agreement with Lee Kian Tiam and Thum Chun Leong for the purchase of all that parcel of property held under HS(D) 80249 PT 8929 Seksyen 20, Bandar Rawang, Daerah Gombak, Negeri Selangor, together with a unit of three (3) storey shop office constructed thereon and bearing postal address No. 16, Jalan R 1/3, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan for a total consideration of RM 1,200,000. The purchase was completed during the financial year.
- (c) During the financial year, the issued and paid-up share capital of the Company has been increased by RM 185,337 pursuant to the issuance of 249,000 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 2025

45. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 21 August 2025, STMKT, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose a unit of condominium measuring approximately 104 square metres located at No. 13-2, The Puri Tower, Persiaran Saujana Puchong, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan, for a total cash consideration of RM 380,000. The disposal is yet to be completed as of report date.
- (b) On 12 September 2025, the Company acquired additional 40% equity interest in Cerdasnet Sdn. Bhd. (formerly known as Kare For U Sdn. Bhd.) ("CSB") from its non-controlling interest for a cash consideration of RM 3. Following the completion of the acquisition, CSB becomes a wholly-owned subsidiary of the Company.
- (c) 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 25,083 pursuant to the issuance of 33,700 new ordinary shares from the exercise of options under the Company's ESOS.

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 30.06.2025 (RM)	Date of Revaluation / Acquisition
1. Title No. Geran 205577 Lot 19042, Seksyen 20, Bandar Rawang. <i>Address</i> Lot. 102, Jalan Industri ¾, 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	27	9,421,027 (Land) 10,408,950 (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 86 years	N/A	8,153,246 (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 66 years	23	1,016,379 (Land) 6,792,990 (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 30.06.2025 (RM)	Date of Revaluation / Acquisition
<p>5. Title No. Geran 209014, Lot 10473, Seksyen 20, Bandar Serendah, District of Ulu Selangor, State of Selangor.</p> <p><i>Address</i> No. 6, Jalan Kamunting 3, Seksyen BB 6, Bandar Bukit Beruntung, 48300 Rawang, Selangor.</p>	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	18	3,655,000 (Land) 2,967,948 (Building)	16 June 2022
<p>6. Title No. GRN 19765, Lot 821, Mukim of Pasir Panjang, District of Port Dickson, State of Negeri Sembilan.</p>	Agriculture land	83,972 square metres	Freehold	N/A	6,294,399 (Land)	16 February 2015
<p>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.</p> <p><i>Address</i> No. 9, Jalan TSB 9, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.</p>	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 66 years	26	3,519,520 (Land) 2,731,291 (Building)	20 September 2010
<p>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.</p>	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 30.06.2025 (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 / 4,055 square metres	Leasehold interest for 99 years expiring on 24 March 2091, leaving an unexpired term of about 66 years	29	1,387,550 (Land) 2,611,871 (Building)	31 December 2009
<i>Address</i> No. 3, Jalan TSB 8, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.						

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 30 June 2025.

Analysis of Shareholdings As at 1 October 2025

SHARE CAPITAL

Total number of issued shares	:	253,192,300 (including 17,212,605 treasury shares)
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	621	15.88	23,712	0.01
100 to 1,000	476	12.17	144,256	0.06
1,001 to 10,000	1,411	36.07	6,827,054	2.89
10,001 to 100,000	1,207	30.86	35,532,571	15.06
100,001 to less than 5% of issued shares	195	4.99	85,439,501	36.21
5% and above of issued shares	1	0.03	108,012,601	45.77
TOTAL	3,911	100.00	235,979,695	100.00

Note:

Excluding 17,212,605 shares bought back and retained by the Company as treasury shares.

B) LIST OF SUBSTANTIAL SHAREHOLDERS

The substantial shareholder of the Company and their respective shareholdings based on the Register of Substantial Shareholders of the Company as at 1 October 2025 are as follows:

No.	Name of Substantial Shareholders	Direct Interest		Indirect/Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Omega Attraction Sdn. Bhd. (“OASB”)	108,012,601	45.77	-	-
2.	Tan Ah Bah @ Tan Ah Ping	214,532	0.09	108,227,133 ⁽¹⁾	45.86
3.	Pan Kim Foon	214,532	0.09	108,227,133 ⁽¹⁾	45.86
4.	Lim Mee Hwa	1,950,000	0.83	10,301,993 ⁽²⁾	4.37
5.	Yeo Seng Chong	-	-	12,251,993 ⁽³⁾	5.19

Notes:

⁽¹⁾ Deemed interested 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.

⁽²⁾ Deemed interested by virtue of her shareholdings in Yeoman Capital Management Pte Ltd (“YCMPL”) pursuant to Section 8(4) of the Companies Act 2016.

⁽³⁾ Deemed interested by virtue of his shareholdings in YCMPL pursuant to Section 8(4) of the Companies Act 2016 and by virtue of his spouse’s direct interest in the Company.

Analysis of Shareholdings (Cont'd) As at 1 October 2025

C) LIST OF DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 1 October 2025 are as follows:-

No.	Name of Directors	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Tan Ah Bah @ Tan Ah Ping	214,532	0.09	108,227,133 ⁽¹⁾	45.86
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	760,402	0.32	-	-
5.	Tan Chung Chiah	10,581,287	4.48	-	-
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	45.771
2	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for DBS Bank Ltd (SES-PB)</i>	10,581,287	4.483
3	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)</i>	10,000,050	4.237
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>	1,950,000	0.826
9	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Choon Beng</i>	1,837,600	0.778
10	Tan Lee Hwa	1,560,700	0.661

Analysis of Shareholdings (Cont'd)

As at 1 October 2025

D) LIST OF TOP 30 LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
11	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kien Yeap</i>	1,500,000	0.635
12	Tay Boon Pok	1,327,600	0.562
13	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Yee Hui</i>	1,230,000	0.521
14	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt an for DBS Bank Ltd (SFS)</i>	1,141,952	0.483
15	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Kian Aik</i>	1,053,460	0.446
16	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teoh Hui Peng (8076778)</i>	900,000	0.381
17	CGS International Nominess (Asing) Sdn. Bhd. <i>Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	850,000	0.360
18	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kien Yeap</i>	811,500	0.343
19	Sam Tuck Wah	790,275	0.334
20	Margarte Yuen	788,225	0.334
21	Poh Chuan Swee	770,000	0.326
22	Public Invest Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yoong Kah Yin (C)</i>	731,000	0.309
23	Tan Chun Yee	675,250	0.286
24	Yeoh Kim Wah	662,560	0.280
25	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Susy Ding (CEB)</i>	650,025	0.275
26	Keng Poh Wee	640,200	0.271
27	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for Phillip Capital Management Sdn. Bhd.</i>	625,625	0.265
28	Chen Wei Kian	564,900	0.239
29	Leong Zhen Zhou	500,000	0.211
30	Public Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for Nishinihon (Malaysia) Sdn. Bhd. (E-JBU)</i>	500,000	0.211

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 4 December 2025 at 11:00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and the Auditors thereon. **(Please refer to the Explanatory Note 1)**
2. To approve the payment of Directors' fees amounting to RM400,000.00 for the financial year ending 30 June 2026, 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 of up to RM18,000.00 as benefits payable to Non-Executive Directors of the Company for the period from 5 December 2025 to the Twenty-Second Annual General Meeting of the Company to be held in year 2026 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) Ms. Chan Foong Ping; and **(Ordinary Resolution 3)**
 - ii) Dato' Yeoh Kim Wah. **(Ordinary Resolution 4)**
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary Resolutions:

6. **RETENTION OF MS. CHAN FOONG PING AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR** **(Ordinary Resolution 6)**

"THAT subject to the passing of Ordinary Resolution 3, Ms. Chan Foong Ping, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company in accordance with the Malaysian Code on Corporate Governance 2021."

Notice of Annual General Meeting (Cont'd)

7. AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS (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;

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/she/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate.”

8. 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 2025 (“**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 of the minority shareholders of the Company,

Notice of Annual General Meeting (Cont'd)

("RRPT Mandate");

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."

9. **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);

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 a 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

Notice of Annual General Meeting (Cont'd)

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."

10. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO ALLOT AND ISSUE 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")**

(Ordinary Resolution
10)

"**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 of the Company 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 of the Company 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."

Notice of Annual General Meeting (Cont'd)

11. 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)
CHIN MUN YEE (SSM PC No.: 201908002785) (MAICSA 7019243)
Company Secretaries

Selangor Darul Ehsan
30 October 2025

Explanatory Notes:-

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2025

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 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 5 December 2025 to the Twenty-Second Annual General Meeting of the Company to be held in year 2026 are derived from the estimated meeting allowance of RM600.00 per meeting day based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board of Directors (“**Board**”) and Board Committees of the Company, 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 Annual General Meeting 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 Twenty-First AGM of the Company, the Board, through the 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 2025, including the fit and proper assessment.

Based on the results of the assessment and evaluation, the Board was satisfied with the performance, contributions and independence (for Ms. Chan Foong Ping) 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.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes:- (Cont'd)

4. Item 6 of the Agenda – Retention of Ms. Chan Foong Ping as an Independent Non-Executive Director

Ms. Chan Foong Ping was appointed as an Independent Non-Executive Director of the Company on 23 September 2016. Therefore, she has served the Board for a cumulative term of more than nine (9) years. The Board through Nomination Committee, after having assessed the independence of Ms. Chan Foong Ping, regards her to be independent based amongst others, the following justifications and recommended that Ms. Chan Foong Ping be retained as an Independent Non-Executive Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance 2021:

- Ms. Chan Foong Ping has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities;
- Ms. Chan Foong Ping was able to exercise independent judgement and act in the best interest of the Company;
- there was no existing and potential conflict of interest that Ms. Chan Foong Ping could have with the Company, as she has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Securities; and
- Ms. Chan Foong Ping has not developed, established, or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level, consistent and expected of her to carry out her duties as an Independent Non-Executive Director.

5. Item 7 of the Agenda – Authority to Issue Shares Pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights

The Company intends to renew the mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 at the Twenty-First 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 Twentieth AGM of the Company held on 3 December 2024 (“**Previous Mandate**”). As of 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 Companies Act 2016, read together with Clause 9 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company that rank equally with 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)

6. Item 8 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 renewed mandate for the Company and/or its subsidiaries (“STC Group”) to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for 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 of the Company 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 2025 for further information.

7. Item 9 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 2025 for further information.

8. Item 10 of the Agenda – Proposed Renewal of Authority for the Company to Allot and Issue Shares pursuant to the Dividend Reinvestment Scheme (“DRS”)

The proposed Ordinary Resolution 10, if passed, would empower the Directors of the Company to allot and issue new ordinary 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) With respect to the deposited securities, only members whose names appear in the Record of Depositors on 27 November 2025 (General Meeting Record of Depositors) shall be eligible to attend the AGM.
- (b) A member entitled to attend and vote at the AGM 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.
- (c) 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.
- (d) 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.
- (e) Where a member of the Company is an exempt authorised nominee that 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.

Notice of Annual General Meeting (Cont'd)

Notes:- (Cont'd)

(f) 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 Twenty-First AGM of the Company 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, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
• Electronic means	Weblink : https://srmy.vistra.com .

(Please refer to the Administrative Guide on the procedures for electronic lodgement of Proxy Form via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>)

Administrative Guide For Twenty-First Annual General Meeting of Success Transformer Corporation Berhad (21st AGM)

Date	:	Thursday, 4 December 2025
Time	:	11.00 a.m.
Venue	:	Tropicana Golf & Country Resort, Greens III, Sports Wing Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

REGISTRATION ON THE DAY OF THE 21ST AGM

The registration counter will open at 10.00 a.m. on Thursday, 4 December 2025. Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) during registration for verification purpose. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person. Upon verification, shareholders or proxies are required to write their names and sign on the Attendance List placed on the registration table. Shareholders or proxies will also be given identification wristbands for voting purposes.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate the 21st AGM must ensure that the duly executed proxy forms are deposited either in a hard copy form or by electronic means with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., not less than forty-eight (48) hours before the time appointed for holding the 21st AGM or at any adjournment thereof.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> ("**The Portal**"). Kindly refer to the Procedures for Electronic Submission of Proxy Form via The Portal for further details.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not later than **2 December 2025, Tuesday at 11.00 a.m.** to participate in the 21st AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Administrative Guide (Cont'd)

For Twenty-First Annual General Meeting of Success Transformer Corporation Berhad (21st AGM)

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE (CONT'D)

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at 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 or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia before the time appointed for holding the 21st AGM for the appointment to be valid for the purpose of attending the 21st AGM. The certificate of appointment should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM VIA THE PORTAL

The procedures to submit your proxy form electronically via The Portal are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i></p>

Administrative Guide (Cont'd) For Twenty-First Annual General Meeting of Success Transformer Corporation Berhad (21st AGM)

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM VIA THE PORTAL (CONT'D)

The procedures to submit your proxy form electronically via The Portal are summarised below: (Cont'd)

Procedure	Action
i. Steps for Individual Shareholders (Cont'd)	
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “SUCCESS TRANSFORMER CORPORATION BERHAD 21ST AGM” 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>

Administrative Guide (Cont'd)

For Twenty-First Annual General Meeting of Success Transformer Corporation Berhad (21st AGM)

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM VIA THE PORTAL (CONT'D)

The procedures to submit your proxy form electronically via The Portal are summarised below: (Cont'd)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders (Cont'd)	
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "SUCCESS TRANSFORMER CORPORATION BERHAD 21ST AGM" 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the 21st AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-voting) via The Portal and Independent Scrutineers to verify the poll results.

Upon completion of the voting session for the 21st AGM, the appointed Independent Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts or food vouchers for attending the 21st AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 21st AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Email : is.enquiry@vistra.com



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/them, the Chairman of the Twenty-First Annual General Meeting (“AGM”) as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty-First AGM of the Company to be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 4 December 2025 at 11:00 a.m. and at 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/proxies will vote or abstain from voting at his/her/their 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 Ms. Chan Foong Ping		
4.	Re-election of Dato’ Yeoh Kim Wah		
5.	Re-appointment of Crowe Malaysia PLT		
6.	Retention of Ms. Chan Foong Ping as an Independent Non-Executive Director		
7.	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights		
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 2025

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:-

- (a) With respect of deposited securities, only members whose names appear in the Record of Depositors on 27 November 2025 (General Meeting Record of Depositors) shall be eligible to attend the AGM.
- (b) A member entitled to attend and vote at the AGM 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.
- (c) 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.
- (d) 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.
- (e) Where a member of the Company is an exempt authorised nominee that 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.
- (f) **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 Twenty-First AGM of the Company 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, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

Electronic means

Weblink : <https://srmy.vistra.com>.

(Please refer to the Administrative Guide on the procedures for electronic lodgement of Proxy Form via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>)

Please glue and seal along this edge

Accreditations & Certifications

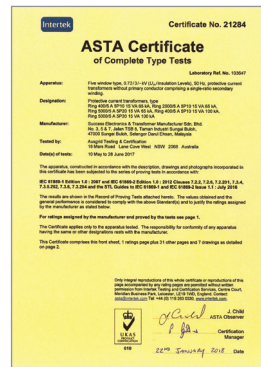
- UKAS accredited ISO 9001 Quality Management System (QMS)
- UKAS accredited ISO 14001 Environmental Management System (EMS) in LED lighting segment
- ASTA Certificate of Complete Type Tests for current transformers
- Compliance with Low Voltage Directive (LVD) certified by TÜV SÜD
- Street lights certified by TÜV SÜD
- CE Mark for transformers and selected street lights, floodlights and baylights
- TISI Mark (Thai Industrial Standards Institute) for selected street lights, floodlights and baylights
- Buatan Malaysia Mark (National Mark of Malaysian Brand) for selected street lights and floodlights
- MyHIJAU Mark (Malaysia's green recognition scheme) for selected street light products and isolation transformers
- SIRIM Product Type Test Certification for ballasts, ignitors, street lights and floodlights
- Approved Sijil Guna Pakai (SGP) for HPSV Street Lighting from Tenaga Nasional Berhad (TNB)
- Jabatan Kerja Raya (JKR) approved for selected street lights and lighting components
- Forbes 'Best Under A Billion' 2008/2009



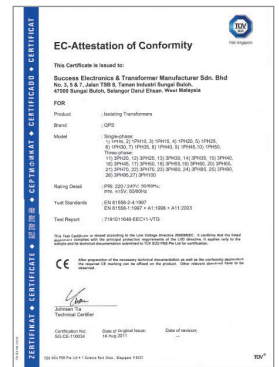
ISO 9001:2015 BV UKAS



ISO 14001:2015 BV UKAS



ASTA Certificate



CE Mark for Transformer



TÜV SÜD Mark



TISI Mark
(Thai Industrial Standards Institute)



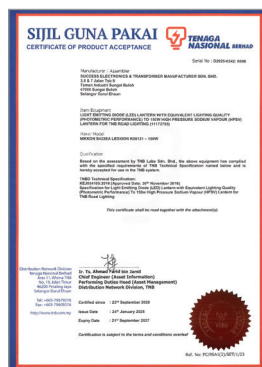
Buatan Malaysia Mark
(National Mark of Malaysian Brand)



MyHIJAU Mark



SIRIM Certificate



Tenaga Nasional Berhad
(TNB)



Jabatan Kerja Raya
(JKR)



Forbes 'Best Under A Billion'
2008/2009



SUCCESS TRANSFORMER CORPORATION BERHAD

(200301034518) (636939-W)

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Enquiries: marketing@success.com.my