



FOUND PAC GROUP BERHAD
(Registration No. 201501040628 (1165946-H))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
for the Financial Period Ended 31 March 2023**

		Individual Quarter Current Quarter Ended 31.03.2023 RM'000	Corresponding Preceding Quarter Ended 31.03.2022 RM'000	Cumulative Period Current Period-To-Date Ended 31.03.2023 RM'000	Corresponding Preceding Period-To-Date Ended 31.03.2022 RM'000
Note					
	Revenue	15,777	17,459	52,488	48,270
	Cost of goods sold	(10,867)	(11,458)	(35,485)	(30,489)
	Gross profit	4,910	6,001	17,003	17,781
	Interest income	131	11	172	22
	Other income	1,010	676	2,325	1,371
	Administrative and general expenses	(2,973)	(2,874)	(8,520)	(6,801)
	Selling and distribution expenses	(507)	(450)	(1,511)	(1,501)
	Finance costs	(8)	(17)	(33)	(135)
	Profit before tax	2,563	3,347	9,436	10,737
	Tax expense	(907)	(882)	(3,140)	(2,704)
	Profit for the financial period	1,656	2,465	6,296	8,033
	Other comprehensive income for the financial period	-	-	-	-
	Total comprehensive income for the financial period	1,656	2,465	6,296	8,033
	Profit for the financial period attributable to:-				
	- Owners of the Company	2,014	2,686	7,252	8,199
	- Non-controlling interests	(358)	(221)	(956)	(166)
		1,656	2,465	6,296	8,033
	Total comprehensive income for the financial period attributable to:-				
	- Owners of the Company	2,014	2,686	7,252	8,199
	- Non-controlling interests	(358)	(221)	(956)	(166)
		1,656	2,465	6,296	8,033
	Earnings per share:-				
	- Basic (sen)	0.37	0.50	1.34	1.52
	- Diluted (sen)	0.37	0.47	1.33	1.45

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2023

	As at 31.03.2023 (Unaudited) RM'000	As at 30.6.2022 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	12,664	14,238
Right-of-use assets	9,322	10,179
Goodwill	16,529	16,529
Deferred tax assets	1,551	1,591
	40,066	42,537
CURRENT ASSETS		
Inventories	13,334	12,933
Receivables	14,930	16,872
Prepayments	389	1,251
Current tax assets	1,142	1,031
Cash and cash equivalents	55,018	50,385
	84,813	82,472
CURRENT LIABILITIES		
Payables	7,974	12,135
Lease liabilities	481	864
Contract liabilities	1,101	1,822
Current tax liabilities	392	687
	9,948	15,508
NET CURRENT ASSETS	74,865	66,964
NON-CURRENT LIABILITIES		
Lease liabilities	213	498
Deferred tax liabilities	2,002	2,106
Deferred income on government grants	71	250
	2,286	2,854
NET ASSETS	112,645	106,647
EQUITY		
Share capital	61,793	59,996
Share option reserve	1,905	1,283
Treasury shares	(1,341)	(1,341)
Revaluation surplus	1,852	1,852
Retained profits	45,578	41,135
Equity attributable to owners of the Company	109,787	102,925
Non-controlling interests	2,858	3,722
TOTAL EQUITY	112,645	106,647
Net assets per share attributable to owners of the Company (sen)	20.19	19.16

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 March 2023

			Non-distributable		Distributable			
	Share capital	Treasury shares	Share option reserve	Revaluation surplus	Retained profits	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01 July 2022	59,996	(1,341)	1,283	1,852	41,135	102,925	3,722	106,647
Issuance of shares pursuant to ESOS	1,797	-	(475)	-	-	1,322	-	1,322
Share-based payments	-	-	1,097	-	(92)	1,005	92	1,097
Dividends to owners of the Company	-	-	-	-	(2,717)	(2,717)	-	(2,717)
	1,797	-	622	-	(2,809)	(390)	92	(298)
Profit (representing comprehensive income) for the financial period	-	-	-	-	7,252	7,252	(956)	6,296
Balance as at 31 March 2023	61,793	(1,341)	1,905	1,852	45,578	109,787	2,858	112,645
Balance as at 01 July 2021	59,996	(821)	-	1,852	37,692	98,719	3,963	102,682
Acquisition of subsidiaries	-	-	-	-	-	-	2,881	2,881
Issue of shares	-	-	-	-	-	-	858	858
Share-based payments	-	-	564	-	(47)	517	47	564
Dividends to owners of the Company	-	-	-	-	(2,705)	(2,705)	-	(2,705)
Purchase of own shares	-	(520)	-	-	-	(520)	-	(520)
Change in ownership interest in subsidiary	-	-	-	-	(661)	(661)	(3,839)	(4,500)
	-	(520)	564	-	(3,413)	(3,369)	(2,934)	(6,303)
Profit (representing comprehensive income) for the financial period	-	-	-	-	8,199	8,199	(166)	8,033
Balance as at 31 March 2022	59,996	(1,341)	564	1,852	42,478	103,549	3,744	107,293

Note:-

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

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Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 31 March 2023

	Current Period-To-Date Ended 31.03.2023 RM'000	Corresponding Preceding Period-To-Date Ended 31.03.2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9,436	10,737
Adjustments for:-		
Amortisation of deferred income	(179)	(179)
Amortisation of intangible assets	-	14
Depreciation of property, plant and equipment	3,512	3,556
Depreciation of right-of-use assets	857	702
Fair value gain on financial instruments	(788)	(540)
Loss / (Gain) on disposal of property, plant and equipment	6	(149)
Interest expense	33	135
Interest income	(172)	(22)
Property, plant and equipment written off	1	-
Reversal of inventories written down	-	(161)
Share-based payments	1,097	564
Unrealised loss / (gain) on foreign exchange	195	(7)
Variable lease payments	(15)	(3)
Operating profit before working capital changes	13,983	14,647
Changes in:-		
Inventories	(401)	(1,561)
Receivables	1,942	2,893
Prepayments	862	152
Payables	(4,161)	(2,538)
Contract Liabilities	(721)	347
Cash generated from operations	11,504	13,940
Tax paid	(3,610)	(3,405)
Net cash from operating activities	7,894	10,535
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,948)	(736)
Acquisition of subsidiaries	-	(8,131)
Interest and fund distributions received	960	560
Proceeds from disposal of property, plant and equipment	3	150
Net cash used in investing activities	(985)	(8,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(2,717)	(2,705)
Interest paid	(33)	(135)
Issuance of shares	1,322	-
Issuance of preference shares to non-controlling interests	-	858
Payment of lease liabilities	(653)	(479)
Payment of term loan	-	(2,416)
Purchase of own shares	-	(520)
Net cash used in financing activities	(2,081)	(5,397)

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report

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Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 31 March 2023

	Current Period-To-Date Ended 31.03.2023 RM'000	Corresponding Preceding Period-To-Date Ended 31.03.2022 RM'000
Effect of exchange rate changes on cash and cash equivalents	(195)	7
Net increase/(decrease) in cash and cash equivalents	4,633	(3,010)
Cash and cash equivalents brought forward	50,385	56,197
Cash and cash equivalents carried forward	<u>55,018</u>	<u>53,187</u>
Analysis of cash and cash equivalents:-		
- Cash and bank balances	17,015	19,632
- Short term funds at fair value	<u>38,003</u>	<u>33,555</u>
	<u>55,018</u>	<u>53,187</u>

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report

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Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting*

A1 Basis of Preparation

This interim financial report has been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

The following MFRSs became effective for the financial year under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The initial application of the above MFRSs did not any significant impact on the financial statements.

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the interim financial report.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting* (Cont’d)

A2 Seasonality or Cyclicity of Operations

The business operations of the Group were not materially affected by any seasonal or cyclical factor.

A3 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A4 Significant Estimates and Changes in Estimates

There were no changes in estimates of amounts reported in prior interim period of current financial year or change in estimates of amounts reported in prior financial year.

A5 Debt and Equity Securities

During the current quarter, the Company issued 1,849,500 new ordinary shares at exercise price of RM0.39 pursuant to the Employees’ Shares Option Scheme (“ESOS”).

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter under review.

A6 Dividends Paid

No dividend was paid during the current quarter under review.

A7 Segmental Information

Operating Segments

The Group is organised into business units based on their nature of business and services and has the following reportable operating segments:-

- | | | | |
|-------|---------------------------------|---|---|
| (i) | Precision engineering | - | Design, development, manufacture, marketing and sale of stiffeners, test sockets, hand lids and related accessories |
| (ii) | Laser stencils | - | Manufacture and sale of laser stencils |
| (iii) | Automation | - | Manufacture of industrial equipment and machinery |
| (iv) | Accessory cables and connectors | - | Manufacture and sale of accessory cables and connectors |

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part A: Explanatory Notes Pursuant to MFRS 134, *Interim Financial Reporting* (Cont'd)****A7 Segmental Information (cont'd)****Operating Segments (cont'd)**

	Precision engineering RM'000	Laser stencils RM'000	Automation RM'000	Accessory cables and connectors RM'000	Unallocated non-reportable segments RM'000	Total RM'000
<u>Financial period ended 31 March 2023</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	76,270	24,031	6,517	17,703	358	124,879
Included in the measure of segment assets are:-						
- Additions to non-current assets	1,217	63	32	636	-	1,948
Segment liabilities	6,363	526	1,458	3,834	53	12,234
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	9,379	533	63	(3,231)	(448)	6,296
Included in the measure of segment profit are:-						
- External revenue	32,649	4,878	5,201	9,752	8	52,488
- Interest and fund distributions income	735	192	19	-	14	960
- Non-cash income	179	-	-	15	-	194
- Interest expense	-	4	-	29	-	33
- Amortisation and depreciation	2,850	455	80	984	-	4,369
- Other non-cash expenses	773	92	97	230	107	1,299
- Tax expense	2,980	140	20	-	-	3,140

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part A: Explanatory Notes Pursuant to MFRS 134, *Interim Financial Reporting* (Cont'd)****A7 Segmental Information (cont'd)****Operating Segments (cont'd)**

	Precision engineering RM'000	Laser stencils RM'000	Automation RM'000	Accessory cables and connectors RM'000	Unallocated non-operating segments RM'000	Total RM'000
<u>Financial period ended 31 March 2022</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	71,339	26,712	5,895	20,217	615	124,778
Included in the measure of segment assets are:-						
- Additions to non-current assets	169	133	22	412	-	736
Segment liabilities	7,835	890	2,414	6,181	165	17,485
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	8,329	967	(465)	(207)	(591)	8,033
Included in the measure of segment profit/(loss) are:-						
- External revenue	30,799	5,853	2,397	9,207	14	48,270
- Interest income	399	132	12	-	19	562
- Non-cash income	232	-	-	267	-	499
- Interest expense	-	11	-	124	-	135
- Amortisation and depreciation	2,793	723	77	665	14	4,272
- Other non-cash expenses	192	47	47	103	175	564
- Tax expense	2,371	306	63	(36)	-	2,704

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part A: Explanatory Notes Pursuant to MFRS 134, *Interim Financial Reporting* (Cont'd)****A7 Segmental Information (cont'd)****Geographical Information**

The Group operates principally in Malaysia and generates revenue from the following geographical locations of customers:-

	Individual Quarter 3 Months Ended		Cumulative Financial Period Ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Malaysia	5,500	5,662	17,838	14,920
North America	3,653	5,506	14,536	18,117
Europe	4,127	2,155	10,555	6,076
Other Asian countries	2,485	4,030	9,532	8,798
Others	12	106	27	359
	<u>15,777</u>	<u>17,459</u>	<u>52,488</u>	<u>48,270</u>

A8 Contractual Commitments

	31.03.2023 RM'000
Purchase of property, plant and equipment	<u>25,457</u>

A9 Changes in Composition

There were no significant changes in the composition of the Group during the current quarter under review.

A10 Contingencies

There were no significant changes in contingent assets and contingent liabilities since 30 June 2022.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to 31 March 2023 that have not been reflected in this interim financial report.

A12 Significant Related Party Transactions

There were no significant related party transactions during the current quarter under review.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023

Part A: Explanatory Notes Pursuant to MFRS 134, *Interim Financial Reporting* (Cont'd)

A13 Financial Instruments

Derivatives

There were no outstanding derivatives as at 31 March 2023.

Fair Value Changes of Financial Liabilities

The Group does not remeasure its financial liabilities at fair value after the initial recognition.

Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial Assets

The fair values of buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and bank balances and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair values of short-term funds are directly measured using their unadjusted market values quoted by financial institutions (i.e. Level 1).

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad****B1 Review of Performance****- Comparison with Corresponding Period and Cumulative Period of Preceding Year**

	Individual Quarter				Cumulative			
	3 Months Ended				Financial Period Ended			
	31.03.2023	31.03.2022	Variance		31.03.2023	31.03.2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	15,777	17,459	(1,682)	(9.64)	52,488	48,270	4,218	8.74
Profit before tax	2,563	3,347	(784)	(23.43)	9,436	10,737	(1,301)	(12.11)
Profit for the financial period	1,656	2,465	(809)	(32.83)	6,296	8,033	(1,737)	(21.63)
Profit attributable to owners of the Company	2,014	2,686	(672)	(25.00)	7,252	8,199	(947)	(11.55)

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded a revenue of RM15.777 million and profit before tax ("PBT") of RM2.563 million.

The decrease in revenue for the current quarter by RM1.682 million or 9.64% as compared to RM17.459 million in the corresponding preceding quarter ended 31 March 2022 ("Corresponding Preceding Quarter") is attributable mainly to the decline in sales from the precision engineering segment as a result of softening in demand and deferment of deliveries in the semiconductor market.

Export sales remained as the primary contributor to the Group's total revenue, which accounted for RM10.277 million or 65.14% of the Group's total revenue for the current quarter against RM11.797 million or 67.57% for the Corresponding Preceding Quarter. The decrease in export sales percentage was again mainly contributed by reduction from the precision engineering segment.

The Group recorded a PBT of RM2.563 million for the current quarter, representing a decrease of RM0.784 million or 23.43% as compared to PBT of RM3.347 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the reduction in revenue from both the precision engineering and the accessory cables and connectors segments.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period to-date, the Group recorded a revenue of RM52.488 million and profit before tax ("PBT") of RM9.436 million.

The increase in revenue for the current financial period to-date, representing an increase of RM4.218 million or 8.74% was mainly attributable to the growth of revenue from the automation segment by RM2.804 million and the precision engineering segment by RM1.855 million.

Export sales accounted for RM34.650 million or 66.02% of the Group's total revenue for the current cumulative period against RM33.350 million or 69.09% of the Group's total revenue for the Corresponding Preceding Cumulative Period. The decrease in export sales percentage was mainly due to the increase in revenue from the automation segment which were largely from domestic market.

The Group recorded a PBT of RM9.436 million for the current financial period to-date, representing a decrease of RM1.301 million or 12.11% as compared to PBT of RM10.737 million recorded in the Corresponding Preceding Cumulative Period. The decrease in PBT was due mainly to reduction in profit margin as a result of higher direct costs from the accessory cables and connectors segment.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)

B2 Review of Performance

- Comparison between Current Quarter and Immediate Preceding Quarter

	Individual Quarter 3 Months Ended		Variance RM'000	%
	31.03.2023	31.12.2022		
	RM'000	RM'000		
Revenue	15,777	15,917	(140)	(0.88)
Profit before tax	2,563	2,021	542	26.81
Profit for the financial period	1,656	1,216	440	36.17
Profit attributable to owners of the Company	2,014	1,568	446	28.47

The Group recorded a revenue of RM15.777 million in the current quarter, which was marginally lower by RM0.140 million or 0.88% than RM15.917 million recorded in the immediate preceding quarter as a result of lower revenue contribution from the automation segment. However, PBT for the current quarter was RM2.563 million, higher by RM0.542 million or 26.81% as compared to RM2.021 million in the immediate preceding quarter. This was mainly due to the higher interest and fund distribution income from the precision engineering segment in the current quarter.

B3 Commentary on Prospects

With the global semiconductor sales moving on a downward trend since August 2022, the Group is also seeing softening in demand with some customers deferring their orders. The escalation of the direct costs is also taking a hit on the margins. In line with the unfavourable macro-economic factors underpinning the industry, the Group expects to end the current financial year with an average performance. In the meantime, the Group continues to focus on strengthening its business operations and fundamentals.

B4 Profit Forecast

The Group does not issue any profit forecast in any form of public documentation and announcement.

B5 Tax Expense

	Individual Quarter 3 Months Ended		Cumulative Financial Period Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Current tax	928	1,006	3,203	3,223
Deferred tax	(21)	(124)	(64)	(519)
	<u>907</u>	<u>882</u>	<u>3,140</u>	<u>2,704</u>

The effective tax rate of the Group for the current quarter, Corresponding Preceding Quarter, cumulative period to-date and Corresponding Preceding Cumulative Period were higher than the statutory tax rate of 24%. These were mainly due to losses in certain subsidiaries which were not available for set off against taxable profit in other subsidiaries within the Group.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)****B6 Status of Corporate Proposals**

There were no other corporate proposals announced but not completed as at the date of this interim financial report.

B7 Borrowings

There were no borrowings as at the end of the current quarter under review.

B8 Changes in Material Litigation

As at the date of this interim financial report, there is no litigation or arbitration against the Group which has a material effect on the financial position of the Group, and the Board is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

B9 Dividend

A second single tier interim dividend of 1.0 sen per share in respect of the financial year ending 30 June 2023 has been declared on 16 May 2023 and is to be paid on 26 June 2023 to depositors registered in the records of Depositors at the close of business on 8 June 2023. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as appropriation of retained profits in the quarter ending 30 June 2023.

B10 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Profit attributable to owners of the Company (RM'000)	2,014	2,686	7,252	8,199
Weighted average number of ordinary shares in issue for computing basic EPS ('000)	543,712	540,322	542,960	540,322
Basic EPS (sen)	<u>0.37</u>	<u>0.50</u>	<u>1.34</u>	<u>1.52</u>
Weighted average number of ordinary shares in issue for computing diluted EPS ('000)	543,733	567,202	543,325	567,202
Diluted EPS (sen)	<u>0.37</u>	<u>0.47</u>	<u>1.33</u>	<u>1.45</u>

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2023**Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)****B11 Profit Before Tax**

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,448	1,545	4,369	4,272
Amortisation of deferred income	(60)	(60)	(179)	(179)
Fair value gain on financial instruments	(306)	(148)	(788)	(540)
Realised gain on foreign exchange	(420)	(228)	(493)	(391)
Unrealised loss/(gain) on foreign exchange	282	(92)	195	(7)
Loss / (Gain) on disposal of property, plant and equipment	3	(148)	6	(149)
Interest expense for lease liabilities	8	17	33	135
Interest income	(131)	(11)	(172)	(22)
Property, plant and equipment written off	1	-	1	-
Reversal of inventories written down	-	-	-	(161)
Share-based payments	360	-	1,097	564
Variable lease payment	(5)	47	(15)	(3)

Save for the above, the other items as required under Paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.