



**FOUNDPAC GROUP BERHAD**  
(Registration No. 201501040628 (1165946-H))  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

## Condensed Consolidated Statement of Comprehensive Income for the Financial Year Ended 30 June 2023

		Individual Quarter		Cumulative Period	
	Note	Current Quarter Ended 30/6/2023 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 30/6/2022 (Unaudited) RM'000	Current Year-To-Date Ended 30/06/2023 (Unaudited) RM'000	Corresponding Year-To-Date Ended 30/06/2022 (Audited) RM'000
Revenue		19,895	22,756	72,383	71,026
Cost of goods sold		(15,223)	(14,734)	(50,708)	(45,223)
<b>Gross profit</b>		<b>4,672</b>	<b>8,022</b>	<b>21,675</b>	<b>25,803</b>
Impairment gain / (loss) on financial assets		356	(347)	356	(347)
Interest income		145	6	317	28
Other income		1,740	1,296	4,066	2,674
Administrative and general expenses		(2,711)	(2,980)	(11,231)	(9,789)
Selling and distribution expenses		(489)	(395)	(2,000)	(1,896)
Finance costs		(12)	(15)	(45)	(150)
Loss on derecognition of financial assets cost measured at amortised		-	(44)	-	(44)
<b>Profit before tax</b>	<b>B11</b>	<b>3,701</b>	<b>5,543</b>	<b>13,138</b>	<b>16,279</b>
Tax expense	B5	(2,905)	(1,503)	(6,045)	(4,207)
<b>Profit for the financial year</b>		<b>796</b>	<b>4,040</b>	<b>7,093</b>	<b>12,072</b>
Other comprehensive income for the financial year		-	-	-	-
<b>Total comprehensive income for the financial year</b>		<b>796</b>	<b>4,040</b>	<b>7,093</b>	<b>12,072</b>
<b>Profit for the financial year attributable to:-</b>					
- Owners of the Company		1,832	4,123	9,085	12,321
- Non-controlling interests		(1,036)	(83)	(1,992)	(249)
		<b>796</b>	<b>4,040</b>	<b>7,093</b>	<b>12,072</b>
<b>Total comprehensive income for the financial year attributable to:-</b>					
- Owners of the Company		1,832	4,123	9,085	12,321
- Non-controlling interests		(1,036)	(83)	(1,992)	(249)
		<b>796</b>	<b>4,040</b>	<b>7,093</b>	<b>12,072</b>
<b>Earnings per share:-</b>	<b>B10</b>				
- Basic (sen)		0.34	0.76	1.67	2.28
- Diluted (sen)		0.34	0.76	1.67	2.28

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)

**Condensed Consolidated Statement of Financial Position as at 30 June 2023**

	As at 30/6/2023 (Unaudited) RM'000	As at 30/6/2022 (Audited) RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	12,420	14,239
Right-of-use assets	10,172	10,179
Goodwill	16,229	16,529
Deferred tax assets	310	1,591
	<b>39,131</b>	<b>42,538</b>
<b>CURRENT ASSETS</b>		
Inventories	9,870	12,933
Receivables	15,359	16,872
Prepayments	3,818	1,251
Current tax assets	131	1,031
Short term investment	2,035	-
Cash and cash equivalents	52,182	50,385
	<b>83,395</b>	<b>82,472</b>
<b>CURRENT LIABILITIES</b>		
Payables	7,711	12,135
Lease liabilities	734	864
Contract liabilities	1,398	1,822
Current tax liabilities	1,553	687
	<b>11,396</b>	<b>15,508</b>
<b>NET CURRENT ASSETS</b>	<b>71,999</b>	<b>66,964</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	873	498
Deferred tax liabilities	2,044	2,106
Deferred income on government grants	11	250
	<b>2,928</b>	<b>2,854</b>
<b>NET ASSETS</b>	<b>108,202</b>	<b>106,648</b>
<b>EQUITY</b>		
Share capital	61,792	59,996
Share option reserve	2,103	1,283
Treasury shares	(1,341)	(1,341)
Revaluation surplus	1,852	1,852
Retained profits	41,957	41,136
Equity attributable to owners of the Company	<b>106,363</b>	<b>102,926</b>
Non-controlling interests	1,839	3,722
<b>TOTAL EQUITY</b>	<b>108,202</b>	<b>106,648</b>
Net assets per share attributable to owners of the Company (sen)	<b>19.56</b>	<b>19.05</b>

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 Year Ended 30 June 2023

	Share capital	Treasury shares	Non-distributable		Distributable		Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Share option reserve	Revaluation surplus	Retained profits				
	RM'000	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	41,136	102,926	3,722	106,648	
Issuance of shares pursuant to ESOS	1,796	-	(474)	-	-	1,322	-	1,322	
Share-based payments	-	-	1,294	-	(109)	1,185	109	1,294	
Dividends to owners of the Company	-	-	-	-	(8,155)	(8,155)	-	(8,155)	
	1,796	-	820	-	(8,264)	(5,648)	109	(5,539)	
Profit (representing comprehensive income) for the financial year	-	-	-	-	9,085	9,085	(1,992)	7,093	
<b>Balance as at 30 June 2023</b>	<b>61,792</b>	<b>(1,341)</b>	<b>2,103</b>	<b>1,852</b>	<b>41,957</b>	<b>106,363</b>	<b>1,839</b>	<b>108,202</b>	
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	-	-	1,283	-	(108)	1,175	108	1,283	
Dividends to owners of the Company	-	-	-	-	(8,108)	(8,108)	-	(8,108)	
Purchase of own shares	-	(520)	-	-	-	(520)	-	(520)	
Change in ownership interest in subsidiary	-	-	-	-	(661)	(661)	(3,839)	(4,500)	
	-	(520)	1,283	-	(8,877)	(8,114)	(2,873)	(10,987)	
Profit (representing comprehensive income) for the financial year	-	-	-	-	12,321	12,321	(249)	12,072	
<b>Balance as at 30 June 2022</b>	<b>59,996</b>	<b>(1,341)</b>	<b>1,283</b>	<b>1,852</b>	<b>41,136</b>	<b>102,926</b>	<b>3,722</b>	<b>106,648</b>	

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.

**FOUNDPAC GROUP BERHAD**

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Year Ended 30 June 2023**

	<b>Current Year-To-Date Ended 30.06.2023 RM'000</b>	<b>Corresponding Preceding Year-To-Date Ended 30.06.2022 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,138	16,279
Adjustments for:-		
Amortisation of deferred income	(239)	(239)
Amortisation of intangible assets	-	18
Depreciation of property, plant and equipment	4,627	4,487
Depreciation of right-of-use assets	1,153	989
Fair value gain on financial instruments	(1,491)	(740)
Gain on disposal of property, plant and equipment	(42)	(192)
Impairment loss on goodwill	300	150
Impairment loss on intangible assets	-	60
Impairment (gain) / loss on financial assets	(356)	347
Interest expense	45	151
Interest income	(317)	(28)
Inventories written down	1,037	837
Loss on derecognition of financial assets measured at amortised cost	-	44
Property, plant and equipment written off	1	325
Reversal of inventories written down	(123)	(43)
Share-based payments	1,294	1,283
Unrealised gain on foreign exchange	(558)	(236)
Variable lease payments	-	(9)
Operating profit before working capital changes	<u>18,469</u>	<u>23,483</u>
Changes in:-		
Inventories	2,149	(2,751)
Receivables	2,652	(525)
Prepayments	(184)	196
Payables	(4,460)	(3,019)
Contract Liabilities	(424)	1,310
Cash generated from operations	<u>18,202</u>	<u>18,694</u>
Tax paid	(4,721)	(4,533)
Tax refunded	1,661	347
Net cash from operating activities	<u>15,142</u>	<u>14,508</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(5,200)	(2,091)
Acquisition of subsidiaries	-	(3,631)
Interest and fund distributions received	1,446	768
Proceeds from disposal of property, plant and equipment	50	193
Placement for short term investment	(1,972)	-
Net cash used in investing activities	<u>(5,676)</u>	<u>(4,761)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Acquisition of shares from non-controlling interests	-	(4,500)
Dividends paid	(8,155)	(8,108)
Interest paid	(45)	(151)
Issuance of shares pursuant to Employees' Share Option Scheme	1,322	-
Issuance of preference shares to non-controlling interests	-	858
Payment of lease liabilities	(901)	(694)
Payment of term loans	-	(2,416)
Purchase of own shares	-	(520)
Net cash used in financing activities	<u>(7,779)</u>	<u>(15,531)</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

**FOUNDPAC GROUP BERHAD**

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Year Ended 30 June 2023**

	<b>Current Year-To-Date Ended 30.06.2023 RM'000</b>	<b>Corresponding Preceding Year-To-Date Ended 30.06.2022 RM'000</b>
Effect of exchange rate changes on cash and cash equivalents	110	(28)
Net increase / (decrease) in cash and cash equivalents	1,797	(5,812)
Cash and cash equivalents brought forward	50,385	56,197
Cash and cash equivalents carried forward	<u>52,182</u>	<u>50,385</u>
<b>Analysis of cash and cash equivalents:-</b>		
- Cash and bank balances	6,920	17,111
- Term deposits	7,139	-
- Short term funds at fair value	<u>38,123</u>	<u>33,274</u>
	<u>52,182</u>	<u>50,385</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*

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

## Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 107 and MFRS 7 <i>Supplier Finance Arrangements</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
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

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

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## Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 2023

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### 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

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter under review.

#### A6 Dividends Paid

A second single tier interim dividend of 1.0 sen per share amounting to RM5,437,120 in respect of the financial year ending 30 June 2023 was declared on 16 May 2023 and paid on 26 June 2023 to depositors registered in the records of Depositors at the close of business on 8 June 2023.

#### 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) Cables and connectors - Manufacture and sale of accessory cables and connectors

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**Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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	Cables and connectors RM'000	Unallocated non-reportable segments RM'000	Total RM'000
<b>Financial Year Ended 30 June 2023</b>						
<b>Statement Of Financial Position</b>						
Segment assets	73,724	25,043	8,492	14,497	770	122,526
Included in the measure of segment assets are:-						
- Additions to non-current assets	1,984	756	33	1,191	-	3,963
Segment liabilities	6,573	1,279	2,202	4,137	133	14,324
<b>Statement Of Comprehensive Income</b>						
Segment profit / (loss)	13,588	776	1,251	(8,338)	(183)	7,093
Included in the measure of segment profit/(loss) are:-						
- External revenue	43,597	6,705	8,405	13,666	10	72,383
- Interest and fund distributions income	1,130	267	33	-	17	1,447
- Non-cash income	709	174	263	130	362	1,638
- Interest expense	-	4	-	41	-	45
- Amortisation and depreciation	3,797	591	75	1,317	-	5,780
- Other non-cash expenses	1,018	160	214	813	427	2,632
- Tax expense	4,242	225	418	1,160	-	6,045

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**Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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	Cables and connectors RM'000	Unallocated non-operating segments RM'000	Total RM'000
<b><u>Financial Year Ended 30 June 2022</u></b>						
<b>Statement Of Financial Position</b>						
Segment assets	71,231	26,548	6,805	19,926	500	125,010
Included in the measure of segment assets are:-						
- Additions to non-current assets	234	742	32	4,854	-	5,862
Segment liabilities	8,618	669	2,901	6,043	131	18,362
<b>Statement Of Comprehensive Income</b>						
Segment profit/(loss)	12,705	965	(101)	(473)	(1,024)	12,072
Included in the measure of segment profit/(loss) are:-						
- External revenue	44,122	7,436	5,094	14,356	18	71,026
- Interest and fund distributions income	554	177	19	-	18	768
- Non-cash income	309	23	52	143	-	527
- Interest expense	-	13	-	138	-	151
- Amortisation and depreciation	3,732	651	103	990	18	5,494
- Other non-cash expenses	1,166	888	214	265	513	3,046
- Tax expense / (income)	3,849	407	8	(57)	-	4,207

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## Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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		Cumulative	
	3 Months Ended		Financial Year Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	7,229	8,244	25,163	23,164
America	5,164	6,857	19,700	24,974
Europe	3,277	4,241	13,831	10,317
Other Asian countries	4,207	3,397	13,645	12,350
Others	18	17	44	221
	<u>19,895</u>	<u>22,756</u>	<u>72,383</u>	<u>71,026</u>

#### A8 Contractual Commitments

	30/6/2023 RM'000
Purchase of property, plant and equipment	<u>24,973</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 30 June 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.

# FOUNDPAC GROUP BERHAD

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## Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 2023

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

#### A13 Financial Instruments

##### Derivatives

There were no outstanding derivatives as at 30 June 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 – 30 June 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 Year Ended			
	30/6/2023	30/6/2022	Variance		30/06/23	30/06/22	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	19,895	22,756	(2,861)	(12.57)	72,383	71,026	1,357	1.91
Profit before tax	3,701	5,543	(1,842)	(33.22)	13,138	16,279	(3,141)	(19.30)
Profit for the financial year	796	4,040	(3,244)	(80.29)	7,093	12,072	(4,979)	(41.24)
Profit attributable to owners of the Company	1,832	4,123	(2,291)	(55.56)	9,085	12,321	(3,236)	(26.26)

#### Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded a revenue of RM19.895 million and profit before tax ("PBT") of RM3.701 million.

The decrease in revenue for the current quarter by RM2.861 million or 12.57% as compared to RM22.756 million in the corresponding preceding quarter ended 30 June 2022 ("Corresponding Preceding Quarter") is attributable mainly to the decline in sales from the precision engineering segment as a result of softening in demand in the semiconductor market and deferment of orders from the cables and connectors segment.

Export sales remained as the primary contributor to the Group's total revenue, which accounted for RM12.666 million or 63.66% of the Group's total revenue for the current quarter against RM14.512 million or 63.77% for the Corresponding Preceding Quarter. The decrease in export sales percentage was attributed to the lower revenue from the precision engineering segment and higher sales from the automation segment which was largely local.

The Group recorded a PBT of RM3.701 million for the current quarter, representing a decrease of RM1.842 million or 33.22% as compared to PBT of RM5.543 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the reduction in revenue from both the precision engineering as well as 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 RM72.383 million and PBT of RM13.138 million.

The revenue for the current financial period to-date, representing an increase of RM1.357 million or 1.91%, was mainly due to higher revenue from the automation segment.

Export sales accounted for RM47.316 million or 65.37% of the Group's total revenue for the current cumulative period against RM47.862 million or 67.38% 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 RM13.138 million for the current financial period to-date, representing a decrease of RM3.141 million or 19.30% as compared to PBT of RM16.279 million recorded in the Corresponding Preceding Cumulative Period. The decrease in PBT was due mainly to reduction in profit margin from the cables and connectors as well as the laser stencils segments as their lower revenue were unable to fully cover some of their direct costs.

# FOUNDPAC GROUP BERHAD

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## Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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		Variance	%
	3 Months Ended			
	30/6/2023	31/3/2023		
	RM'000	RM'000	RM'000	
Revenue	19,895	15,777	4,118	26.10
Profit before tax	3,701	2,563	1,138	44.42
Profit for the financial year	796	1,656	(860)	(51.91)
Profit attributable to owners of the Company	1,832	2,014	(182)	(9.02)

The Group recorded a revenue of RM19.895 million in the current quarter, which was higher by RM4.118 million or 26.10% than RM15.777 million recorded in the immediate preceding quarter mainly due to higher revenue from the automation and precision engineering segments. PBT for the current quarter was RM3.701 million, higher by RM1.138 million or 44.42% as compared to RM2.563 million in the immediate preceding quarter. This was mainly due to higher revenue recorded by both the automation and precision engineering segments in the current quarter.

#### B3 Commentary on Prospects

We expect the financial performance in the first quarter of FY 2024 to be lower than the previous year's corresponding quarter as demand from customers have yet to fully recover and uncertainties from the global market conditions continue to persist. Nevertheless, amidst the uncertainties surrounding the macro environment, there are general expectation and signs that the global semiconductor sales are bottoming up by early next year. The Group remains focused on its core competencies including continuously improving its internal processes for long term growth. Barring any unforeseen circumstances, the Board is optimistic to achieve favourable performance for the next financial year.

#### B4 Profit Forecast

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

#### B5 Tax Expense

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Year Ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
Current tax	1,622	1,765	4,826	4,988
Deferred tax	1,283	(262)	1,219	(781)
	<u>2,905</u>	<u>1,503</u>	<u>6,045</u>	<u>4,207</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 – 30 June 2023

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

##### B5 Tax Expense (Cont'd)

During the current quarter, the prior year's deferred tax assets of RM1.160 million was derecognised from the cables and connectors segment due to its recurring losses.

##### 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

The Board did not propose any dividend during the current quarter under review.

##### B10 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Year Ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
Profit attributable to owners of the Company (RM'000)	1,832	4,123	9,085	12,321
Weighted average number of ordinary shares in issue for computing basic EPS ('000)	543,712	540,843	543,147	540,843
Basic EPS (sen)	<u>0.34</u>	<u>0.76</u>	<u>1.67</u>	<u>2.28</u>
Weighted average number of ordinary shares in issue for computing diluted EPS ('000)	543,712	541,185	545,136	541,185
Diluted EPS (sen)	<u>0.34<sup>(1)</sup></u>	<u>0.76</u>	<u>1.67</u>	<u>2.28</u>

Notes:-

(1) The diluted EPS equals the basic EPS due to the anti-dilutive effect of the share options which has been ignore in calculating the diluted EPS.

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**Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 Year Ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,411	1,222	5,780	5,494
Amortisation of deferred income	(60)	(59)	(239)	(239)
Fair value gain on financial instruments	(703)	(200)	(1,491)	(740)
Realised gain on foreign exchange	(557)	(621)	(1,050)	(1,012)
Unrealised gain on foreign exchange	(753)	(229)	(558)	(236)
Gain on disposal of property, plant and equipment	(48)	(43)	(42)	(192)
Impairment loss on goodwill	300	150	300	150
Impairment loss on intangible assets	-	60	-	60
Impairment (gain) / loss on financial assets	(356)	347	(356)	347
Interest expense for lease liabilities	12	15	45	151
Interest income	(145)	(6)	(317)	(28)
Inventories written down	1,037	837	1,037	837
Loss on derecognition of financial assets measured at amortised cost	-	44	-	44
Property, plant and equipment written off	0	325	1	325
Reversal of inventories written down	(123)	(43)	(123)	(43)
Share-based payments	197	-	1,294	1,283
Variable lease payment	15	169	-	(9)

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.