



**FOUNDPAC GROUP BERHAD**

(Company No. 1165946-H)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 1165946-H

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 31.12.2017 RM'000	Corresponding Preceding Quarter Ended 31.12.2016 RM'000	Current Period-To-Date Ended 31.12.2017 RM'000	Corresponding Period-To-Date Ended 31.12.2016 RM'000
Revenue		7,749	7,969	17,144	16,128
Cost of goods sold		(3,763)	(4,622)	(9,179)	(9,491)
Gross profit		3,986	3,347	7,965	6,637
Other income		396	672	755	1,141
Administrative and general expenses		(1,432)	(767)	(2,341)	(1,527)
Selling and distribution expenses		(483)	(337)	(886)	(588)
Finance costs		(1)	-	(1)	-
Profit before tax	B11	2,466	2,915	5,492	5,663
Tax expense	B5	(635)	(705)	(1,331)	(1,210)
<b>Profit for the financial period</b>		<b>1,831</b>	<b>2,210</b>	<b>4,161</b>	<b>4,453</b>
<b>Profit for the financial period attributable to:</b>					
Owners of the Company		1,722	2,210	4,052	4,453
Non-controlling interests		109	-	109	-
		<b>1,831</b>	<b>2,210</b>	<b>4,161</b>	<b>4,453</b>
<b>Earnings per share:</b>					
	B10				
Basic (sen)		0.33	0.48	0.78	0.96
Diluted (sen)		0.33	0.48	0.78	0.96

*Note:*

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 1165946-H

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	(Unaudited) As at 31.12.2017 RM'000	(Audited) As at 30.06.2017 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,598	14,438
Goodwill	12,647	-
Deferred tax assets	54	-
	<u>28,299</u>	<u>14,438</u>
<b>CURRENT ASSETS</b>		
Inventories	3,920	2,776
Trade and other receivables	8,122	8,098
Prepayments	1,951	194
Current tax assets	358	-
Cash and cash equivalents	38,035	46,386
	<u>52,386</u>	<u>57,454</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,826	2,373
Current tax liabilities	2,187	56
	<u>6,013</u>	<u>2,429</u>
<b>NET CURRENT ASSETS</b>	46,373	55,025
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,902	1,944
<b>NET ASSETS</b>	<u>72,770</u>	<u>67,519</u>
<b>EQUITY</b>		
Share capital	51,800	51,710
Retained profits	19,576	15,809
Equity attributable to owners of the Company	<u>71,376</u>	<u>67,519</u>
Non-controlling interests	1,394	-
<b>TOTAL EQUITY</b>	<u>72,770</u>	<u>67,519</u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>13.78</u>	<u>13.03</u> *

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.

\* For comparison purpose, net assets per share is calculated based on the number of ordinary shares in issue which has been adjusted for bonus issue retrospectively.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 1165946-H

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

	<u>Non- distributable</u>	<u>Distributable</u>	<u>Equity attributable to owners of the Company</u>	<u>Non- controlling interests</u>	<u>Total equity</u>	
	Share capital RM'000	Share premium RM'000	Retained profits RM'000	RM'000	RM'000	
Balance as at 1 July 2017	51,710	-	15,809	67,519	-	67,519
Bonus issue	90	-	(90)	-	-	-
Share issue transaction costs	-	-	(195)	(195)	-	(195)
Total transactions with owners	90	-	(285)	(195)	-	(195)
Acquisition of subsidiary	-	-	-	-	1,285	1,285
Profit (representing total comprehensive income) for the financial period	-	-	4,052	4,052	109	4,161
Balance as at 31 December 2017	<u>51,800</u>	<u>-</u>	<u>19,576</u>	<u>71,376</u>	<u>1,394</u>	<u>72,770</u>
Balance as at 1 July 2016	33,000	-	9,289	42,289	-	42,289
Issue of shares	4,000	17,600	-	21,600	-	21,600
Share issue transaction costs	-	(2,890)	-	(2,890)	-	(2,890)
Total transactions with owners	4,000	14,710	-	18,710	-	18,710
Profit (representing total comprehensive income) for the financial period	-	-	4,453	4,453	-	4,453
Balance as at 31 December 2016	<u>37,000</u>	<u>14,710</u>	<u>13,742</u>	<u>65,452</u>	<u>-</u>	<u>65,452</u>

Note:-

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 1165946-H

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

	Current Period-To-Date Ended 31.12.2017 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,492	5,663
Adjustments for:-		
Depreciation of property, plant and equipment	718	735
Gain on disposal of property, plant and equipment	(46)	-
Interest expense	1	-
Interest income	(709)	(394)
Unrealised loss/(gain) on foreign exchange	105	(447)
Operating profit before working capital changes	5,561	5,557
Changes in:-		
Inventories	(994)	(248)
Receivables and prepayments	417	1,133
Payables	38	(104)
Cash generated from operations	5,022	6,338
Tax paid	(1,795)	(994)
Tax refunded	130	-
<b>Net cash from operating activities</b>	<b>3,357</b>	<b>5,344</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired	(11,298)	-
Interest received	709	394
Proceeds from disposal of property, plant and equipment	60	-
Purchase of property, plant and equipment	(928)	(17)
Purchase of unquoted investment	-	(2,000)
<b>Net cash used in investing activities</b>	<b>(11,457)</b>	<b>(1,623)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1)	-
Issue of shares	-	21,600
Repayment of hire purchase obligations	(40)	-
Share issue transaction costs	(195)	(2,890)
<b>Net cash (used in)/ from investing activities</b>	<b>(236)</b>	<b>18,710</b>
Effect of exchange rate changes on cash and cash equivalents	(15)	226
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(8,351)</b>	<b>22,657</b>
Cash and cash equivalents brought forward	46,386	20,181
<b>Cash and cash equivalents carried forward</b>	<b>38,035</b>	<b>42,838</b>
<b>Analysis of cash and cash equivalents</b>		
Term deposits (fixed rate)	-	10,533
Short-term highly liquid investments	31,898	5,019
Cash and bank balances	6,137	27,286
	<b>38,035</b>	<b>42,838</b>

Note:-

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

---

### 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 2017 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and method of computation adopted in the interim financial report are consistent with those adopted as disclosed in the audited financial statements of the Group for the financial year ended 30 June 2017 except for the following:

#### Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the following methods:-

<u>Subsidiary</u>	<u>Method</u>
FoundPac Technologies Sdn. Bhd.	Merger
FoundPac Sdn. Bhd.	Merger
FoundPac Capital Sdn. Bhd.	Acquisition
Dynamic Stencil Sdn. Bhd	Acquisition

#### Merger Method

The merger method is used for business combination involving entities under common control which is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. In applying merger accounting:-

- (i) the financial statement items of the combining entities or businesses for the reporting period in which the combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling parties;
- (ii) the assets and liabilities of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective;
- (iii) no amount is recognised as consideration for goodwill or bargain purchase gain at the time of combination, to the extent of the continuation of the controlling parties' interests; and
- (iv) the effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

---

### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

#### A1 Basis of Preparation (cont'd)

##### Acquisition Method

Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
  - (i) the acquisition-date fair value of the consideration transferred;
  - (ii) the amount of any non-controlling interests; and
  - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

#### 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.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

#### 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

The Company had on 19 December 2017 announced that the Bonus Issue has been completed following the listing and quotation of 148,000,000 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad on 19 December 2017.

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

The following is an analysis of the Group's revenue by geographical locations of customers:-

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2017 RM'000	Corresponding Preceding Quarter Ended 31.12.2016 RM'000	Current Period-To-Date Ended 31.12.2017 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2016 RM'000
Malaysia	1,643	535	4,623	913
Other Asian countries	1,276	827	2,432	1,508
United States ("US")	2,747	3,866	6,369	9,625
Europe	2,083	2,741	3,720	4,082
	<u>7,749</u>	<u>7,969</u>	<u>17,144</u>	<u>16,128</u>

#### A8 Contractual Commitments for Purchase of Property, Plant and Equipment

	31.12.2017 RM'000
Contracted but not provided for	<u>3,511</u>

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

---

### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING (cont’d)

#### A9 Changes in Composition

- a) On 22 November 2017, the Company incorporated a wholly-owned subsidiary, FoundPac Capital Sdn. Bhd. (“FPC”) by way of subscribing 10,000 ordinary shares in FPC, for a total cash consideration of RM10,000. The total number of issued shares in FPC is 10,000 ordinary shares. The principal activity of FPC is investment holding.
- b) Following the completion of the Acquisition of Dynamic Stencil Sdn. Bhd. (“DSSB”) on 24 November 2017, FPC has been nominated by FoundPac as the holder of 187,500 ordinary shares representing 75% equity interests in DSSB. Accordingly, DSSB has become a 75%-owned subsidiary of FoundPac (which is held through FPC).

#### A10 Contingencies

There were no significant changes in contingent assets and contingent liabilities since 30 June 2017.

#### A11 Material Events

##### **Proposed Acquisition of 187,500 Ordinary Shares, representing 75% Equity Interest in Dynamic Stencil Sdn. Bhd. for a Total Cash Consideration of RM16,500,000**

The Board of Directors of FoundPac had on 25 September 2017 announced that the Company had on 25 September 2017 entered in to a Share Sale Agreement (“Agreement”) with Lim Seng Chiew and Lim Seng Choon (collectively, the “Vendors”) in relation to the acquisition of 187,500 ordinary shares representing 75% equity interests in Dynamic Stencil Sdn. Bhd. (“DSSB”) for a total cash consideration of RM16,500,000, subject to the terms and conditions in the Agreement (“Proposed Acquisition”).

The Company had on 24 November 2017 announced that the terms and conditions in the Agreement has been fulfilled and the purchase consideration has been paid, marking the completion of the Proposed Acquisition.

As set out in the Agreement, FoundPac shall be entitled to nominate its wholly-owned subsidiary company as holder of the Sale Shares. In this regard, FPC has been nominated as the holder of the Sale Shares. Following the completion of the Acquisition, DSSB is a 75%-owned subsidiary of FPG (which is held through FPC).

Save for the above, there were no other material events subsequent to 31 December 2017 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

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

---

### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

#### A13 Financial Instruments

##### Derivatives

There were no outstanding derivatives as at 31 December 2017.

##### 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 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.

As at end of the current quarter under review, the carrying amounts of receivables, cash and cash equivalents and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

There were no transfers between levels of fair value hierarchy during the current quarter under review.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### 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 Period			
	Corresponding				Corresponding			
	Current	Preceding			Current	Preceding		
	Quarter	Quarter			Period-To-Date	Period-To-Date		
Ended	Ended	Variance		Ended	Ended	Variance		
31.12.2017	31.12.2016	RM'000	%	31.12.2017	31.12.2016	RM'000	%	
RM'000	RM'000	RM'000		RM'000	RM'000	RM'000		
Revenue	7,749	7,969	(220)	(2.76)	17,144	16,128	1,016	6.30
Profit before tax	2,466	2,915	(449)	(15.40)	5,492	5,663	(171)	(3.02)
Profit for the financial period	1,831	2,210	(379)	(17.15)	4,161	4,453	(292)	(6.56)
Profit attributable to owners of the Company	1,722	2,210	(488)	(22.08)	4,052	4,453	(401)	(9.01)

#### Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded revenue of RM7.749 million and profit before tax ("PBT") of RM2.466 million respectively.

The lower revenue for the current quarter, which representing a decrease of RM0.220 million or 2.76% as compared to revenue of RM7.969 million recorded in the corresponding preceding quarter ended 31 December 2016 ("Corresponding Preceding Quarter"), was mainly attributable to the decrease in export sales of RM1.328 million, offset by the increase in local sales of RM1.108 million.

The export sales remained the main contributor to our Group's total revenue for the current quarter, which accounted for RM6.106 million or 78.80% of our Group's total revenue for the current quarter. The decrease in export sales by RM1.328 million or 17.86% as compared to the Corresponding Preceding Quarter's export sales of RM7.434 million was mainly due to lower revenue generated from our customers in US and Europe.

Our Group recorded PBT of RM2.466 million for the current quarter, representing a decrease of RM0.449 million or 15.40% as compared to PBT of RM2.915 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the lower other income and higher administrative and general expenses for the current quarter, which was mainly attributed to the foreign exchange loss of RM0.244 million in the current quarter compared to foreign exchange gain of RM0.481 million in the Corresponding Preceding Quarter as a result of strengthening of RM against USD. However, the decrease was partially offset by increase in interest income of RM0.158 million and gain on disposal of property, plant and equipment of RM0.046 million for the current quarter.

#### Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period-to-date, the Group recorded total revenue of RM17.144 million and profit before tax of RM5.492 million respectively.

The higher revenue for the current financial period-to-date, which representing an increase of RM1.016 million or 6.30% as compared to revenue of RM16.128 million recorded in the corresponding preceding cumulative period ended 31 December 2016 ("Corresponding Preceding Cumulative Period"), was mainly attributable to the higher revenue recorded in the first quarter of the current financial year due to the increase in sales at Asia Region.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

#### B1 Review of Performance

##### - Comparison with Corresponding Period and Cumulative Period of Preceding Year (cont'd)

##### Current Cumulative Period vs Corresponding Preceding Cumulative Period (cont'd)

Our Group recorded PBT of RM5.492 million for the current financial period-to-date, representing a decrease of RM0.171 million or 3.02% as compared to PBT of RM5.663 million recorded in the Corresponding Preceding Cumulative Quarter. The decrease in PBT was mainly due to the lower other income and higher administrative and general expenses for the current financial period-to-date, which was mainly attributed to foreign exchange loss of RM0.320 million in the current financial period-to-date compared to foreign exchange gain of RM0.747 million in the Corresponding Preceding Cumulative Quarter as a result of strengthening of RM against USD. However, the decrease was partially offset by increase in interest income of RM0.315 million and gain on disposal of property, plant and equipment of RM0.046 million.

Except for the gain on disposal of property, plant and equipment, there was no other unusual or material one-off gain/loss affecting the revenue or profit for the current quarter and the current financial period-to-date.

#### B2 Review of Performance

##### - Comparison between Current Quarter and Immediate Preceding Quarter

	<b>Current Quarter Ended 31.12.2017 RM'000</b>	<b>Immediate Preceding Quarter Ended 30.09.2017 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Revenue	7,749	9,395	(1,646)	(17.52)
Profit before tax	2,466	3,026	(560)	(18.51)
Profit for the financial period	1,831	2,330	(499)	(21.42)
Profit attributable to owners of the Company	1,722	2,330	(608)	(26.09)

The Group's revenue of RM7.749 million in the current quarter was RM1.646 million or 17.52% lower than the revenue of RM9.395 million recorded in the immediate preceding quarter. The decrease in revenue was mainly attributed to the decrease in sales to US market of RM0.875 million and lower local sales of RM1.337 million respectively due to lower demand from customers. However, the impact was cushioned by increase in sales to Europe market of RM0.446 million.

Our Group current quarter's PBT of RM2.466 million was RM0.560 million or 18.51% lower as compared to the immediate preceding quarter's PBT of RM3.026 million. It was mainly attributed to the decrease in revenue, coupled with higher foreign exchange loss for the quarter under review as a result of strengthening of RM against USD.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

---

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

#### **B3 Commentary on Prospects**

As disclosed in the Prospectus of the Company dated 13 December 2016, our Group's future plans and strategies will focus on the expansion of its manufacturing activities, market presence and product range through the following areas:

- (a) **Production capacity expansion**  
Our Group intends to expand its production capacity through the acquisition of new machineries and equipment.
- (b) **Diversify customer base**  
Our Group is planning to diversify its customer base to include end-user industries.
- (c) **Setting up a design and development ("D&D") team**  
Our Group is planning to set up a dedicated D&D team to focus on product development.
- (d) **Overseas expansion**  
Our Group intends to establish sales offices in Europe and the United States to continue expanding our presence in these major markets.

Semiconductor and electronics industries are projected to continue growing in the coming years. Demand for our stiffeners and accessories for stiffeners are expected to remain steady. For medium to long term, we will put more effort and concentrate on the products of test socket, hand lids and accessories for test sockets to gain more market segment.

Our Group will continue to uphold its core and long-term strategy to focus on business expansion and diversification, product development, as well as business process optimisation through lean implementation across all operations in the organisation.

Based on the uptrend market outlook of the semiconductor industry and electronics industry, coupled with our Group competitive strengths, as well as our commitment towards the future plans and strategies of our Group, the Board and the management is positive about our prospects for the financial year ended 30 June 2018.

#### **B4 Profit Forecast**

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

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

#### B5 Tax Expense

	Individual Quarter		Cumulative Period	
	Current Quarter	Corresponding Preceding Quarter	Current Period-To-Date	Corresponding Preceding Period-To-Date
	Ended 31.12.2017	Ended 31.12.2016	Ended 31.12.2017	Ended 31.12.2016
	RM'000	RM'000	RM'000	RM'000
Current tax	656	670	1,373	1,102
Deferred tax	(21)	35	(42)	108
	<u>635</u>	<u>705</u>	<u>1,331</u>	<u>1,210</u>

The effective tax rate of the Group for the corresponding preceding period-to-date is lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by one of its subsidiaries, FoundPac Technologies Sdn. Bhd., which had expired on 31 August 2016.

#### B6 Status of Corporate Proposals

On 21 September 2017, TA Securities Holdings Berhad had, on behalf of FoundPac Group Berhad ("FoundPac") announced that the Company proposed to undertake the following:-

- Proposed bonus issue of up to 148,000,000 new ordinary shares in FoundPac ("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing ordinary shares in FoundPac ("FoundPac Share(s)" or "Share(s)") held at an entitlement date to be determined later ("Entitlement Date") ("Proposed Bonus Issue");
- Proposed employees' share option scheme of up to ten percent (10%) of the Company's total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible Directors and employees of FoundPac group of companies ("FoundPac Group" or "Group") (excluding dormant subsidiaries) ("Proposed ESOS"); and
- Proposed share buy-back by FoundPac of up to ten percent (10%) of its total number of issued Shares ("Proposed Share Buy-Back").

[COLLECTIVELY REFERRED TO AS, THE "PROPOSALS"]

Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 4 October 2017, resolved to approve the listing of and quotation for the followings Shares on the Main Market of Bursa Securities, subject to the conditions as detailed in our announcement dated 4 October 2017:-

- Bonus Shares; and
- new FoundPac Shares to be issued arising from the exercise of the Options under the Proposed ESOS.

The Proposals have been approved by the shareholders of FoundPac at the Extraordinary General Meeting held on 22 November 2017.

The Company had on 19 December 2017 announced that the Bonus Issue has been completed following the listing and quotation of 148,000,000 Bonus Shares on the Main Market of Bursa Securities on 19 December 2017.

# FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

#### B7 Utilisation of Proceeds from Public Issue

Subsequent to the Company's listing on the Main Market of Bursa Securities on 29 December 2016, the status of utilisation of the proceeds raised from the Public Issue amounting to RM21.60 million up to 31 December 2017 is as follows:-

Purpose	Proposed	Actual	Balance	Deviation		Estimated timeframe for utilisation from date of listing
	utilisation	utilisation		RM'000	RM'000	
	RM'000	RM'000	RM'000	RM'000	%	
Purchase of property, plant and equipment	8,000	(2,021)	5,979	-	-	Within 24 months
Overseas expansion	4,000	-	4,000	-	-	Within 24 months
Working capital	3,710	<sup>^</sup> (3,710)	-	-	-	Within 24 months
D&D expenditure	3,000	(56)	2,944	-	-	Within 24 months
Listing expenses	2,890	(2,890)	-	-	-	Immediate
<b>Total</b>	<b>21,600</b>	<b>(8,677)</b>	<b>12,923</b>	<b>-</b>	<b>-</b>	

Note:-

<sup>^</sup> Include the excess funds allocated for the listing expenses of RM0.11 million which will be utilised for general working capital purposes.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2016.

#### 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 does not propose any dividend during the current quarter under review.

# FOUND PAC GROUP BERHAD

(Incorporated in Malaysia)  
Company No: 1165946-H

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

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

	Individual Quarter		Cumulative Period	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Period-To-Date	Period-To-Date
	Ended	Ended	Ended	Ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to owners of the Company (RM'000)	1,722	2,210	4,052	4,453
Weighted average number of ordinary shares in issue ('000)	518,000	462,460	518,000	462,460
Basic EPS (sen) <sup>(1)</sup>	0.33	0.48 *	0.78	0.96 *
Diluted EPS (sen) <sup>(2)</sup>	0.33	0.48 *	0.78	0.96 *

Notes:-

(1) Basic EPS is calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

(2) Diluted EPS equals the basic EPS as there were no dilutive potential ordinary shares during the financial period.

\* For comparison purpose, basic EPS and diluted EPS are calculated based on the weighted average number of ordinary shares in issue which has been adjusted for bonus issue retrospectively.

#### B11 Profit Before Tax

	Individual Quarter		Cumulative Period	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Period-To-Date	Period-To-Date
	Ended	Ended	Ended	Ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	372	340	718	735
Interest expense	1	-	1	-
Gain on disposal of property, plant and equipment	(46)	-	(46)	-
(Gain)/Loss on foreign exchange:-				
- Realised	225	(221)	215	(300)
- Unrealised	19	(260)	105	(447)
Interest income	(349)	(191)	(709)	(394)

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.

By Order of the Board  
13 February 2018