



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

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Financial Period Ended 31 December 2022

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 31.12.2022 RM'000	Corresponding Preceding Quarter Ended 31.12.2021 RM'000	Current Period-To-Date Ended 31.12.2022 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2021 RM'000
Revenue		15,917	18,363	36,711	30,811
Cost of goods sold		(11,415)	(11,557)	(24,618)	(19,031)
Gross profit		<u>4,502</u>	<u>6,806</u>	<u>12,093</u>	<u>11,780</u>
Interest income		29	8	41	11
Other income		477	386	1,315	695
Administrative and general expenses		(2,502)	(2,412)	(5,547)	(3,927)
Selling and distribution expenses		(474)	(521)	(1,004)	(1,051)
Finance costs		(11)	(114)	(25)	(118)
Profit before tax	B11	<u>2,021</u>	<u>4,153</u>	<u>6,873</u>	<u>7,390</u>
Tax expense	B5	(805)	(943)	(2,233)	(1,822)
Profit for the financial period		<u>1,216</u>	<u>3,210</u>	<u>4,640</u>	<u>5,568</u>
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		<u>1,216</u>	<u>3,210</u>	<u>4,640</u>	<u>5,568</u>
Profit for the financial period attributable to:-					
- Owners of the Company		1,568	3,115	5,238	5,513
- Non-controlling interests		(352)	95	(598)	55
		<u>1,216</u>	<u>3,210</u>	<u>4,640</u>	<u>5,568</u>
Comprehensive income for the financial period year attributable to:-					
- Owners of the Company		1,568	3,115	5,238	5,513
- Non-controlling interests		(352)	95	(598)	55
		<u>1,216</u>	<u>3,210</u>	<u>4,640</u>	<u>5,568</u>
Earnings per share:-	B10				
- Basic (sen)		0.28	0.58	0.96	1.02
- Diluted (sen)		<u>0.28</u>	<u>0.58</u>	<u>0.96</u>	<u>1.02</u>

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 December 2022

	As at 31.12.2022 (Unaudited) RM'000	As at 30.6.2022 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	13,442	14,239
Right-of-use assets	9,608	10,179
Goodwill	16,529	16,529
Deferred tax assets	1,551	1,591
	<u>41,130</u>	<u>42,538</u>
CURRENT ASSETS		
Inventories	12,120	12,933
Receivables	16,357	16,872
Prepayments	271	1,251
Current tax assets	1,153	1,031
Cash and cash equivalents	50,941	50,385
	<u>80,842</u>	<u>82,472</u>
CURRENT LIABILITIES		
Payables	5,616	12,135
Lease liabilities	706	864
Contract liabilities	1,257	1,822
Current tax liabilities	1,473	687
	<u>9,052</u>	<u>15,508</u>
NET CURRENT ASSETS	71,790	66,964
NON-CURRENT LIABILITIES		
Lease liabilities	213	498
Deferred tax liabilities	2,024	2,106
Deferred income on government grants	131	250
	<u>2,368</u>	<u>2,854</u>
NET ASSETS	<u>110,552</u>	<u>106,648</u>
EQUITY		
Share capital	61,689	59,996
Share option reserve	1,572	1,283
Treasury shares	(1,341)	(1,341)
Revaluation surplus	1,852	1,852
Retained profits	43,594	41,136
Equity attributable to owners of the Company	<u>107,366</u>	<u>102,926</u>
Non-controlling interests	3,186	3,722
TOTAL EQUITY	<u>110,552</u>	<u>106,648</u>
Net assets per share attributable to owners of the Company (sen)	<u>19.75</u>	<u>19.05</u>

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

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Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2022

			Non-distributable		Distributable	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option Reserve RM'000	Revaluation surplus RM'000	Retained profits RM'000			
Balance as at 1 July 2022	59,996	(1,341)	1,283	1,852	41,136	102,926	3,722	106,648
Issue of shares pursuant to ESOS	1,693	-	(448)	-	-	1,245	-	1,245
Share-based payments	-	-	737	-	(62)	675	62	737
Dividends to owners of the Company	-	-	-	-	(2,718)	(2,718)	-	(2,718)
	1,693	-	289	-	(2,780)	(798)	62	(736)
Profit (representing comprehensive income) for the financial year	-	-	-	-	5,238	5,238	(598)	4,640
Balance as at 31 December 2022	<u>61,689</u>	<u>(1,341)</u>	<u>1,572</u>	<u>1,852</u>	<u>43,594</u>	<u>107,366</u>	<u>3,186</u>	<u>110,552</u>
Balance as at 1 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
Purchase of own share	-	(156)	-	-	-	(156)	-	(156)
Change in ownership interest in subsidiary	-	-	-	-	(661)	(661)	(3,839)	(4,500)
Dividends to owners of the Company	-	-	-	-	(2,705)	(2,705)	-	(2,705)
	-	(156)	-	-	(3,366)	(3,522)	(2,981)	(6,503)
Profit (representing comprehensive income) for the financial year	-	-	-	-	5,513	5,513	55	5,568
Balance as at 31 December 2021	<u>59,996</u>	<u>(977)</u>	<u>-</u>	<u>1,852</u>	<u>39,839</u>	<u>100,710</u>	<u>3,918</u>	<u>104,628</u>

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 Period Ended 31 December 2022

	Current Period-To-Date Ended 31.12.2022	Corresponding Preceding Period-To-Date Ended 31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,873	7,390
Adjustments for:-		
Amortisation and depreciation	2,921	2,727
Amortisation of deferred income	(120)	(120)
Fair value gains on financial instruments	(482)	(392)
Loss on disposal of property, plant and equipment	2	1
Interest expense	24	118
Interest income	(41)	(11)
Reversal of inventories written down	-	(153)
Share-based payments	737	-
Unrealised (gain)/loss on foreign exchange	(87)	85
Variable lease payments	(10)	-
Operating profit before working capital changes	9,817	9,645
Changes in:-		
Inventories	813	(930)
Receivables	534	2,729
Prepayments	981	85
Payables	(6,538)	(2,243)
Contract liabilities	(565)	470
Cash generated from operations	5,042	9,756
Tax paid	(1,612)	(2,504)
Net cash from operating activities	3,430	7,252
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,558)	(291)
Acquisition of subsidiary, net of cash acquired	-	(3,631)
Addition in investment in subsidiary	-	(4,500)
Interest or distributions received	523	403
Proceeds from disposal of property, plant and equipment	3	-
Net cash used in investing activities	(1,032)	(8,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(2,718)	(2,705)
Interest paid	(24)	(118)
Issue of preference shares	-	858
Net proceeds from issuance of shares pursuant to ESOS	1,245	-
Payment of lease liabilities	(432)	(264)
Payment of term loan	-	(2,416)
Purchase of own shares	-	(156)
Net cash used in financing activities	(1,929)	(4,801)

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

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Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 31 December 2022

	Current Period-To-Date Ended 31.12.2022	Corresponding Preceding Period-To-Date Ended 31.12.2021
Effect of exchange rate changes on cash and cash equivalents	87	(85)
Net increase/(decrease) in cash and cash equivalents	556	(5,653)
Cash and cash equivalents brought forward	50,385	56,197
Cash and cash equivalents carried forward	<u>50,941</u>	<u>50,544</u>
Analysis of cash and cash equivalents:-		
- Cash and bank balances	19,652	16,340
- Short-term funds - at fair value	31,289	34,204
	<u>50,941</u>	<u>50,544</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 – 31 December 2022

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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Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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

A first single tier interim dividend of 0.5 sen per share amounting to RM2,717,585 in respect of the financial year ending 30 June 2023 was declared on 23 November 2022 and paid on 28 December 2022 to depositors registered in the records of Depositors at the close of business on 14 December 2022.

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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Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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 December 2022</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	74,360	23,745	6,817	17,732	(682)	121,972
Included in the measure of segment assets are:-						
- Additions to non-current assets	1,201	27	31	299	-	1,558
Segment liabilities	6,210	568	1,864	2,664	113	11,419
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	6,700	235	(13)	(1,966)	(316)	4,640
Included in the measure of segment profit/(loss) are:-						
- External revenue	23,239	3,264	3,747	6,457	4	36,711
- Interest and fund distributions income	380	121	9	13	-	523
- Non-cash income	225	-	1	(9)	-	217
- Interest expense	-	3	-	21	-	24
- Amortisation and depreciation	1,898	317	53	653	-	2,921
- Other non-cash expenses	408	62	62	134	73	739
- Tax expense	2,153	80	-	-	-	2,233

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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 December 2021</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	67,344	26,589	6,256	22,061	618	122,868
Included in the measure of segment assets are:-						
- Additions to non-current assets	141	74	8	68	-	291
Segment liabilities	6,967	934	2,430	7,802	107	18,240
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	4,990	848	(72)	118	(316)	5,568
Included in the measure of segment profit/(loss) are:-						
- External revenue	19,588	4,209	1,535	5,471	8	30,811
- Interest and fund distributions income	285	92	8	-	18	403
- Non-cash income	33	-	-	240	-	273
- Interest expense	-	8	-	110	-	118
- Amortisation and depreciation	1,861	479	51	326	10	2,727
- Other non-cash expenses	86	-	-	-	-	86
- Tax expense	1,424	268	63	67	-	1,822

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Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Malaysia	5,883	3,676	12,309	6,133
North America	4,984	6,265	10,912	12,610
Europe	1,941	2,082	6,414	3,921
Other Asian countries	3,096	6,188	6,570	7,893
Others	13	152	506	254
	<u>15,917</u>	<u>18,363</u>	<u>36,711</u>	<u>30,811</u>

A8 Contractual Commitments

	31.12.2022 RM'000
Purchase of property, plant and equipment	<u>25,266</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 December 2022 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 December 2022

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 December 2022.

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 December 2022

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 3 Months Ended				Cumulative Financial Period Ended			
	31.12.2022	31.12.2021	Variance		31.12.2022	31.12.2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	15,917	18,363	(2,446)	(13.32)	36,711	30,811	5,900	19.15
Profit before tax	2,021	4,153	(2,132)	(51.34)	6,873	7,390	(517)	(7.00)
Profit for the financial period	1,216	3,210	(1,994)	(62.12)	4,640	5,568	(928)	(16.67)
Profit attributable to owners of the Company	1,568	3,115	(1,547)	(49.66)	5,238	5,513	(275)	(4.99)

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded a revenue of RM15.917 million and profit before tax ("PBT") of RM2.021 million.

The decrease in revenue for the current quarter by RM2.446 million or 13.32% as compared to the revenue of RM18.363 million in the corresponding preceding quarter ended 31 December 2021 ("Corresponding Preceding Quarter") is attributable mainly to the decline in sales from the accessory cables and connectors segment arising from the softening in demand and deferment of deliveries from customers.

Export sales remained as the primary contributor to the Group's total revenue, which accounted for RM10.034 million or 63.04% of the Group's total revenue for the current quarter against RM14.687 million or 79.98% of the Group's total revenue for the Corresponding Preceding Quarter. The decrease in export sales percentage was due mainly to both increase in local sales from the automation segment and reduction of export sales from the accessory cables and connectors segment.

The Group recorded a PBT of RM2.021 million for the current quarter, representing a decrease of RM2.132 million or 51.34% as compared to PBT of RM4.153 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the lower revenue and higher direct costs recorded from the accessory cables and connectors segment.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period to-date, the Group recorded a revenue of RM36.711 million and profit before tax ("PBT") of RM6.873 million.

The increase in revenue for the current financial period to-date, representing an increase of RM5.900 million or 19.15% was mainly attributable to the higher revenue from the precision engineering segment by RM3.650 million and automation segment by RM2.213 million.

Export sales accounted for RM24.402 million or 66.47% of the Group's total revenue for the current cumulative period against RM24.678 million or 80.09% of the Group's total revenue for the Corresponding Preceding Cumulative Period. The decrease in export sales percentage was mainly because of the increase in local sales from the automation as well as accessory cables and connectors segments.

The Group recorded a PBT of RM6.873 million for the current financial period to-date, representing an decrease of RM0.517 million or 7% as compared to PBT of RM7.390 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 across the laser stencils, automation, accessory cables and connectors segments.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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	
	31.12.2022	30.9.2022	RM'000	%
	RM'000	RM'000		
Revenue	15,917	20,794	(4,877)	(23.45)
Profit before tax	2,021	4,851	(2,830)	(58.34)
Profit for the financial period	1,216	3,424	(2,208)	(64.49)
Profit attributable to owners of the Company	1,568	3,670	(2,102)	(57.28)

The Group recorded a revenue of RM15.917 million in the current quarter, which was lower by RM4.877 million or 23.45% than RM20.794 million recorded in the immediate preceding quarter. PBT for the current quarter was RM2.021 million, decreased by RM2.830 million or 58.34% as compared to RM4.851 million in the immediate preceding quarter. These were mainly attributable to the lower revenue contribution from precision engineering as well as the accessory cables and connectors segments.

B3 Commentary on Prospects

The cooling of the semiconductor market happened faster than expected as industry players across the board are met with high inventory levels and slowdown from the consumer market. The outlook of the market in near term is expected to be affected by interest rate at elevated level in the midst of global inflationary setting, coupled with escalation in material costs. Amidst the economy uncertainties particularly across the US and European regions where softening of demand and deferment of deliveries may be expected, the overall business landscape is still positive backed by the re-opening of China and on-going business development to expand our customer base. Therefore, the Group expects to achieve a moderate performance for the remaining periods of the current 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 Ended 3 Months Ended		Cumulative Financial Period Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	826	964	2,276	1,864
Deferred tax	(21)	(21)	(43)	(42)
	<u>805</u>	<u>943</u>	<u>2,233</u>	<u>1,822</u>

The effective tax rate of the Group for the current quarter and cumulative period to-date 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.

The effective tax rate of the Group for the corresponding preceding quarter and corresponding preceding cumulative period were close to the statutory tax rate of 24%.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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 first single tier interim dividend of 0.5 sen per share amounting to RM2,717,585 in respect of the financial year ending 30 June 2023 was declared on 23 November 2022 and paid on 28 December 2022 to depositors registered in the records of Depositors at the close of business on 14 December 2022.

B10 Earnings Per Share (“EPS”)

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to owners of the Company (RM'000)	1,568	3,115	5,238	5,513
Weighted average number of shares for computing basic EPS ('000)	543,517	541,125	542,592	541,125
Basic EPS (sen)	<u>0.28</u>	<u>0.58</u>	<u>0.96</u>	<u>1.02</u>
Weighted average number of shares for computing diluted EPS ('000)	543,720	541,125	543,109	541,125
Diluted EPS (sen)	<u>0.28</u>	<u>0.58</u>	<u>0.96</u>	<u>1.02</u>

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2022

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,459	1,529	2,921	2,727
Amortisation of deferred income	(60)	(60)	(120)	(120)
Fair value gain on financial instruments	(261)	(175)	(482)	(392)
Realised gain on foreign exchange	(56)	-	(73)	(105)
Unrealised loss/(gain) on foreign exchange	101	118	(87)	85
Loss on disposal of property, plant and equipment	3	-	2	1
Interest expense for lease liabilities	11	114	24	118
Interest income	(29)	(8)	(41)	(11)
Reversal of inventories written down	-	(132)	-	(153)
Share-based payments	369	-	737	-
Variable lease payment	(5)	-	(10)	-

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.