



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

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Financial Period Ended 31 March 2024

| | Note | Individual Quarter | | Cumulative Period | |
|--|------|--|--|---|---|
| | | Current Quarter Ended 31/03/2024 RM'000 | Corresponding Preceding Quarter Ended 31/03/2023 RM'000 | Current Period-To-Date Ended 31/03/2024 RM'000 | Corresponding Preceding Period-To-Date Ended 31/03/2023 RM'000 |
| Revenue | | 14,405 | 15,777 | 47,473 | 52,488 |
| Cost of goods sold | | (10,760) | (10,867) | (34,531) | (35,485) |
| Gross profit | | 3,645 | 4,910 | 12,942 | 17,003 |
| Interest income | | 18 | 131 | 130 | 172 |
| Other income | | 1,548 | 1,010 | 2,592 | 2,325 |
| Administrative and general expenses | | (3,058) | (2,973) | (8,815) | (8,520) |
| Selling and distribution expenses | | (466) | (507) | (1,433) | (1,511) |
| Finance costs | | (27) | (8) | (61) | (33) |
| Profit before tax | B11 | 1,660 | 2,563 | 5,355 | 9,436 |
| Tax expense | B5 | (850) | (907) | (2,320) | (3,140) |
| Profit for the financial period | | 810 | 1,656 | 3,035 | 6,296 |
| Total comprehensive income for the financial period | | 810 | 1,656 | 3,035 | 6,296 |
| Profit for the financial period attributable to:- | | | | | |
| - Owners of the Company | | 1,331 | 2,014 | 4,259 | 7,252 |
| - Non-controlling interests | | (521) | (358) | (1,224) | (956) |
| | | 810 | 1,656 | 3,035 | 6,296 |
| Total comprehensive income for the financial period attributable to:- | | | | | |
| - Owners of the Company | | 1,331 | 2,014 | 4,259 | 7,252 |
| - Non-controlling interests | | (521) | (358) | (1,224) | (956) |
| | | 810 | 1,656 | 3,035 | 6,296 |
| Earnings per share:- | B10 | | | | |
| - Basic (sen) | | 0.24 | 0.37 | 0.78 | 1.34 |
| - Diluted (sen) | | 0.24 | 0.37 | 0.78 | 1.33 |

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 2023 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2024

| | As at 31/03/2024 (Unaudited) RM'000 | As at 30/06/2023 (Audited) RM'000 |
|--|--|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 14,029 | 12,419 |
| Investment properties | 27,371 | - |
| Right-of-use assets | 10,684 | 10,173 |
| Goodwill | 16,229 | 16,229 |
| Deferred tax assets | 310 | 310 |
| | 68,623 | 39,131 |
| CURRENT ASSETS | | |
| Inventories | 8,035 | 9,870 |
| Receivables | 15,134 | 15,359 |
| Prepayments | 566 | 3,818 |
| Current tax assets | 272 | 131 |
| Short term investment | - | 2,035 |
| Cash and cash equivalents | 30,317 | 52,182 |
| | 54,324 | 83,395 |
| CURRENT LIABILITIES | | |
| Payables | 8,075 | 7,711 |
| Lease liabilities | 737 | 734 |
| Contract liabilities | 171 | 1,398 |
| Current tax liabilities | 658 | 1,553 |
| | 9,641 | 11,396 |
| NET CURRENT ASSETS | 44,683 | 71,999 |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 1,588 | 873 |
| Deferred tax liabilities | 1,980 | 2,044 |
| Deferred income on government grants | - | 11 |
| | 3,568 | 2,928 |
| NET ASSETS | 109,738 | 108,202 |
| EQUITY | | |
| Share capital | 62,393 | 61,792 |
| Share option reserve | 2,727 | 2,103 |
| Treasury shares | (1,341) | (1,341) |
| Revaluation surplus | 1,852 | 1,852 |
| Retained profits | 43,440 | 41,957 |
| Equity attributable to owners of the Company | 109,071 | 106,363 |
| Non-controlling interests | 667 | 1,839 |
| TOTAL EQUITY | 109,738 | 108,202 |
| Net assets per share attributable to owners of the Company (sen) | 20.02 | 19.56 |

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 2023 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 March 2024

| | 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 2023 | 61,792 | (1,341) | 2,103 | 1,852 | 41,957 | 106,363 | 1,839 | 108,202 | |
| Issuance of shares pursuant to ESOS | 601 | - | (159) | - | - | 442 | - | 442 | |
| Share-based payments | - | - | 783 | - | (52) | 731 | 52 | 783 | |
| Dividends to owners of the Company | - | - | - | - | (2,724) | (2,724) | - | (2,724) | |
| | 601 | - | 624 | - | (2,776) | (1,551) | 52 | (1,499) | |
| Profit (representing comprehensive income) for the financial period | - | - | - | - | 4,259 | 4,259 | (1,224) | 3,035 | |
| Balance as at 31 March 2024 | 62,393 | (1,341) | 2,727 | 1,852 | 43,440 | 109,071 | 667 | 109,738 | |
| Balance as at 01 July 2022 | 59,996 | (1,341) | 1,283 | 1,852 | 41,135 | 102,925 | 3,722 | 106,647 | |
| Issuance of shares pursuant to ESOS | 1,797 | - | (475) | - | - | 1,322 | - | 1,322 | |
| Share-based payments | - | - | 1,097 | - | (92) | 1,005 | 92 | 1,097 | |
| Dividends to owners of the Company | - | - | - | - | (2,717) | (2,717) | - | (2,717) | |
| | 1,797 | - | 622 | - | (2,809) | (390) | 92 | (298) | |
| Profit (representing comprehensive income) for the financial period | - | - | - | - | 7,252 | 7,252 | (956) | 6,296 | |
| Balance as at 31 March 2023 | 61,793 | (1,341) | 1,905 | 1,852 | 45,578 | 109,787 | 2,858 | 112,645 | |

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 2023 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 March 2024

| | Current Period-To-Date Ended 31/03/2024 RM'000 | Corresponding Preceding Period-To-Date Ended 31/03/2023 RM'000 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 5,355 | 9,436 |
| Adjustments for:- | | |
| Amortisation of deferred income | (11) | (179) |
| Depreciation of property, plant and equipment | 2,733 | 3,512 |
| Depreciation of right-of-use assets | 900 | 857 |
| Fair value gain on financial instruments | (865) | (788) |
| Loss on disposal of property, plant and equipment | - | 6 |
| Interest expense | 61 | 33 |
| Interest income | (130) | (172) |
| Property, plant and equipment written off | 1 | 1 |
| Share-based payments | 783 | 1,097 |
| Unrealised (gain)/loss on foreign exchange | (91) | 195 |
| Variable lease payments | - | (15) |
| Operating profit before working capital changes | <u>8,736</u> | <u>13,983</u> |
| Changes in:- | | |
| Inventories | 1,835 | (401) |
| Receivables | 4,604 | 1,942 |
| Prepayments | (181) | 862 |
| Payables | 366 | (4,161) |
| Contract Liabilities | <u>(1,227)</u> | <u>(721)</u> |
| Cash generated from operations | 14,133 | 11,504 |
| Tax paid | <u>(3,420)</u> | <u>(3,610)</u> |
| Net cash from operating activities | 10,713 | 7,894 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (3,461) | (1,948) |
| Acquisition of investment property | (29,150) | - |
| Interest and fund distributions received | 995 | 960 |
| Proceeds from disposal of property, plant and equipment | - | 3 |
| Redemption of short-term investment | 2,035 | - |
| Net cash used in investing activities | <u>(29,581)</u> | <u>(985)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (2,724) | (2,717) |
| Interest paid | (61) | (33) |
| Issuance of shares pursuant to Employees' Share Option Scheme | 442 | 1,322 |
| Payment of lease liabilities | <u>(693)</u> | <u>(653)</u> |
| Net cash used in financing activities | (3,036) | (2,081) |
| Effect of exchange rate changes on cash and cash equivalents | 39 | (195) |
| Net (decrease) / increase in cash and cash equivalents | (21,865) | 4,633 |
| Cash and cash equivalents brought forward | 52,182 | 50,385 |
| Cash and cash equivalents carried forward | <u>30,317</u> | <u>55,018</u> |
| Analysis of cash and cash equivalents:- | | |
| - Cash and bank balances | 3,307 | 6,117 |
| - Term deposits | 157 | 10,898 |
| - Short term funds at fair value | <u>26,853</u> | <u>38,003</u> |
| | <u>30,317</u> | <u>55,018</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 2023 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 March 2024

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 2023 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 |
|--|--|
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| 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>Disclosure of Accounting Policies</i> | 1 January 2023 |
| 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 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 |
|---|--|
| 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 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| 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 121 <i>Lack of Exchangeability</i> | 1 January 2025 |

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

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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 110,000 new ordinary shares at an exercise price of RM0.38 pursuant to the Employees’ Share Option Scheme (“ESOS”).

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

A6 Dividends Paid

No dividend was paid during the current quarter under review.

A7 Segmental Information

Operating Segments

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

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

FOUND PAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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 |
|--|------------------------------------|-----------------------------|----------------------|------------------------------------|---|-----------------|
| Financial Period Ended 31 March 2024 | | | | | | |
| Statement of Financial Position | | | | | | |
| Segment assets | 78,504 | 21,413 | 5,785 | 16,127 | 1,118 | 122,947 |
| Included in the measure of segment assets are:- | | | | | | |
| - Additions to non-current assets | 32,163 | 176 | 6 | 266 | - | 32,611 |
| Segment liabilities | 6,474 | 976 | 503 | 5,087 | 169 | 13,209 |
| Statement of Comprehensive Income | | | | | | |
| Segment profit / (loss) | 7,947 | (414) | (81) | (3,960) | (457) | 3,035 |
| Included in the measure of segment profit/(loss) are:- | | | | | | |
| - External revenue | 26,411 | 3,272 | 3,392 | 14,387 | 11 | 47,473 |
| - Interest and fund distributions income | 693 | 202 | 74 | - | 26 | 995 |
| - Non-cash income | 17 | 15 | 25 | 45 | - | 102 |
| - Interest expense | - | 23 | - | 38 | - | 61 |
| - Amortisation and depreciation | 2,254 | 352 | 35 | 992 | - | 3,633 |
| - Other non-cash expenses | 460 | 106 | 75 | 93 | 50 | 784 |
| - Tax expense | 2,302 | 1 | 17 | - | - | 2,320 |

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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 |
|--|------------------------------------|-----------------------------|----------------------|------------------------------------|---|-----------------|
| Financial Period Ended 31 March 2023 | | | | | | |
| Statement of Financial Position | | | | | | |
| Segment assets | 76,270 | 24,031 | 6,517 | 17,703 | 358 | 124,879 |
| Included in the measure of segment assets are:- | | | | | | |
| - Additions to non-current assets | 1,217 | 63 | 32 | 636 | - | 1,948 |
| Segment liabilities | 6,363 | 526 | 1,458 | 3,834 | 53 | 12,234 |
| Statement of Comprehensive Income | | | | | | |
| Segment profit / (loss) | 9,379 | 533 | 63 | (3,231) | (448) | 6,296 |
| Included in the measure of segment profit/(loss) are:- | | | | | | |
| - External revenue | 32,649 | 4,878 | 5,201 | 9,752 | 8 | 52,488 |
| - Interest and fund distributions income | 735 | 192 | 19 | - | 14 | 960 |
| - Non-cash income | 179 | - | - | 15 | - | 194 |
| - Interest expense | - | 4 | - | 29 | - | 33 |
| - Amortisation and depreciation | 2,850 | 455 | 80 | 984 | - | 4,369 |
| - Other non-cash expenses | 767 | 92 | 97 | 230 | 107 | 1,293 |
| - Tax expense | 2,980 | 140 | 20 | - | - | 3,140 |

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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

A7 Segmental Information (cont'd)

Geographical Information

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

| | Individual Quarter 3 Months Ended | | Cumulative Financial Period Ended | |
|-----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | 31/03/2024 RM'000 | 31/03/2023 RM'000 | 31/03/2024 RM'000 | 31/03/2023 RM'000 |
| Malaysia | 5,389 | 5,500 | 17,375 | 17,838 |
| America | 3,544 | 3,653 | 10,443 | 14,536 |
| Europe | 2,879 | 4,127 | 7,654 | 10,555 |
| Other Asian countries | 2,583 | 2,485 | 11,979 | 9,532 |
| Others | 10 | 12 | 22 | 27 |
| | <u>14,405</u> | <u>15,777</u> | <u>47,473</u> | <u>52,488</u> |

A8 Contractual Commitments

| | 31/03/2024 RM'000 |
|---|----------------------|
| Purchase of property, plant and equipment | <u>37,692</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 2023.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to 31 March 2024 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.

A13 Financial Instruments

Derivatives

There were no outstanding derivatives as at 31 March 2024.

Fair Value Changes of Financial Liabilities

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

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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

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).

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

- Comparison with Corresponding Period and Cumulative Period of Preceding Year

| | Individual Quarter | | | | Cumulative | | | |
|---|--------------------|------------|----------|---------|------------------------|------------|----------|---------|
| | 3 Months Ended | | | | Financial Period Ended | | | |
| | 31/03/2024 | 31/03/2023 | Variance | | 31/03/2024 | 31/03/2023 | Variance | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 14,405 | 15,777 | (1,372) | (8.70) | 47,473 | 52,488 | (5,015) | (9.55) |
| Profit before tax | 1,660 | 2,563 | (903) | (35.23) | 5,355 | 9,436 | (4,081) | (43.25) |
| Profit for the financial period | 810 | 1,656 | (846) | (51.09) | 3,035 | 6,296 | (3,261) | (51.79) |
| Profit attributable to owners of the Company | 1,331 | 2,014 | (683) | (33.91) | 4,259 | 7,252 | (2,993) | (41.27) |

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded a revenue of RM14.405 million and profit before tax ("PBT") of RM1.660 million.

The decrease in revenue for the current quarter by RM1.372 million or 8.70% as compared to RM15.777 million in the corresponding preceding quarter ended 31 March 2023 ("Corresponding Preceding Quarter") is mainly attributed to the lower sales from precision engineering, laser stencils and automation segments, offset by higher sales from the cables and connectors segment.

Export sales remained as the primary contributor to the Group's total revenue, which accounted for RM9.016 million or 62.59% of the Group's total revenue for the current quarter against RM10.277 million or 65.14% for the Corresponding Preceding Quarter. The lower export sales percentage was due to the increase in sales from the cables and connectors segment which is primarily from the domestic market.

The Group recorded a PBT of RM1.660 million for the current quarter, representing a decrease of RM0.903 million or 35.23% as compared to PBT of RM2.563 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the reduction in revenue from the automation and laser stencils segments as demand remained lacklustre.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period to-date, the Group recorded a revenue of RM47.473 million and PBT of RM5.355 million.

The decrease in revenue for the current financial period to-date, representing a reduction of RM5.015 million or 9.55% was mainly attributable to the lower revenue from precision engineering, laser stencils and automation segment segments, offset by higher sales from the cables and connectors segment.

Export sales accounted for RM30.098 million or 63.40% of the Group's total revenue for the current cumulative period against RM34.650 million or 66.02% of the Group's total revenue for the Corresponding Preceding Cumulative Period. The decrease in export sales percentage was mainly because of the lower export sales recorded by the precision engineering segment.

The Group recorded a PBT of RM5.355 million for the current financial period to-date, representing a decrease of RM4.081 million or 43.25% as compared to PBT of RM9.436 million recorded in the Corresponding Preceding Cumulative Period. The decrease in PBT was attributable mainly to the lower revenue from the precision engineering and laser stencils segments as well as higher labour costs from the cables and connectors segment.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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 | | | |
| | 31/03/2024 | 31/12/2023 | | |
| | RM'000 | RM'000 | RM'000 | |
| Revenue | 14,405 | 15,481 | (1,076) | (6.95) |
| Profit before tax | 1,660 | 1,627 | 33 | 2.03 |
| Profit for the financial period | 810 | 1,075 | (265) | (24.65) |
| Profit attributable to owners of the Company | 1,331 | 1,333 | (2) | (0.15) |

The Group recorded a revenue of RM14.405 million in the current quarter, which was lower by RM1.076 million or 6.95% than RM15.481 million recorded in the immediate preceding quarter mainly due to lower revenue from the automation and laser stencils segments.

Despite the lower revenue, PBT for the current quarter was RM1.660 million, increased by RM0.033 million or 2.03% as compared to RM1.627 million in the immediate preceding quarter. This was mainly due to the rental income earned after the completion of property acquisition on 16 October 2023 and tenanted since January 2024.

B3 Commentary on Prospects

The market outlook continues to be challenging arising from uncertainties in the global economy and US-China geopolitical tension which undermine global trade. Whilst the performance for the financial year ending 2024 is expected to be less favourable than the financial year ended 2023, the Board is confident that the Group's business performance in the foreseeable future shall be better based on improved market sentiment and increasing levels of market activity of late.

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 Period Ended | |
| | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | 871 | 928 | 2,383 | 3,204 |
| Deferred tax | (21) | (21) | (63) | (64) |
| | <u>850</u> | <u>907</u> | <u>2,320</u> | <u>3,140</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.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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

B6 Status of Corporate Proposals

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

B7 Borrowings

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

B8 Changes in Material Litigation

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

B9 Dividend

A second single tier interim dividend of 1.0 sen per share in respect of the financial year ending 30 June 2024 has been declared on 14 May 2024 and is to be paid on 26 June 2024 to depositors registered in the records of Depositors at the close of business on 12 June 2024. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as appropriation of retained profits in the quarter ending 30 June 2024.

B10 Earnings Per Share ("EPS")

| | Individual Quarter | | Cumulative | |
|--|---------------------------|----------------|------------------------|------------------------|
| | 3 Months Ended | 3 Months Ended | Financial Period Ended | Financial Period Ended |
| | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 |
| Profit attributable to owners of the Company (RM'000) | 1,331 | 2,014 | 4,259 | 7,252 |
| Weighted average number of ordinary shares in issue for computing basic EPS ('000) | 544,847 | 543,712 | 544,737 | 542,960 |
| Basic EPS (sen) | <u>0.24</u> | <u>0.37</u> | <u>0.78</u> | <u>1.34</u> |
| Weighted average number of ordinary shares in issue for computing diluted EPS ('000) | 544,847 | 543,733 | 545,957 | 543,325 |
| Diluted EPS (sen) | <u>0.24⁽¹⁾</u> | <u>0.37</u> | <u>0.78</u> | <u>1.33</u> |

Notes:-

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

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 March 2024

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

B11 Profit Before Tax

| | Individual Quarter | | Cumulative | |
|--|--------------------|------------|------------|------------|
| | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/(crediting):- | | | | |
| Amortisation and depreciation | 1,204 | 1,448 | 3,633 | 4,369 |
| Amortisation of deferred income | - | (60) | (11) | (179) |
| Fair value gain on financial instruments | (242) | (306) | (865) | (788) |
| Realised gain on foreign exchange | (289) | (420) | (424) | (493) |
| Unrealised (gain)/loss on foreign exchange | (81) | 282 | (91) | 195 |
| Loss on disposal of property, plant and equipment | - | 3 | - | 6 |
| Interest expense for lease liabilities | 27 | 8 | 61 | 33 |
| Interest income | (18) | (131) | (130) | (172) |
| Property, plant and equipment written off | - | 1 | 1 | 1 |
| Share-based payments | 243 | 360 | 783 | 1,097 |
| Variable lease payment | - | (5) | - | (15) |

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.