



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

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Condensed Consolidated Statement of Comprehensive Income for the Financial Year Ended 30 June 2024

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 30/06/2024 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 30/06/2023 (Unaudited) RM'000	Current Year-To-Date Ended 30/06/2024 (Audited) RM'000	Corresponding Preceding Year-To-Date Ended 30/06/2023 (Audited) RM'000
Revenue		16,679	19,895	64,152	72,383
Cost of goods sold		(12,012)	(15,223)	(46,543)	(50,708)
Gross profit		4,667	4,672	17,609	21,675
Impairment gains on financial assets		459	356	459	356
Other income		3,694	1,885	6,415	4,383
Administrative and general expenses		(5,860)	(2,711)	(14,675)	(11,231)
Selling and distribution expenses		(399)	(489)	(1,832)	(2,000)
Finance costs		(32)	(12)	(93)	(45)
Profit before tax	B11	2,529	3,701	7,883	13,138
Tax expense	B5	(766)	(2,905)	(3,085)	(6,045)
Profit for the financial year		1,763	796	4,798	7,093
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
- Gross revaluation increase of properties		731	-	731	-
- Deferred tax effect thereof		(175)	-	(175)	-
Total other comprehensive income for the financial year		556	-	556	-
Comprehensive income for the financial year		2,319	796	5,354	7,093
Profit/(Loss) for the financial year attributable to:					
- Owners of the Company		2,159	1,832	6,418	9,085
- Non-controlling interests		(396)	(1,036)	(1,620)	(1,992)
		1,763	796	4,798	7,093
Comprehensive income for the financial year attributable to:					
- Owners of the Company		2,658	1,832	6,917	9,085
- Non-controlling interests		(339)	(1,036)	(1,563)	(1,992)
		2,319	796	5,354	7,093
Earnings per share:	B10				
- Basic (sen)		0.40	0.34	1.18	1.67
- Diluted (sen)		0.40	0.34	1.18	1.67

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 2024 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Condensed Consolidated Statement of Financial Position as at 30 June 2024

	As at 30/06/2024 (Audited) RM'000	As at 30/06/2023 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	14,038	12,419
Investment properties	30,000	-
Right-of-use assets	10,486	10,173
Intangible assets	-	-
Goodwill	13,229	16,229
Deferred tax assets	126	310
	67,879	39,131
CURRENT ASSETS		
Inventories	8,144	9,870
Receivables	11,604	15,359
Prepayments	4,789	3,818
Current tax assets	311	131
Short-term investment	-	2,035
Cash and cash equivalents	27,837	52,182
	52,685	83,395
CURRENT LIABILITIES		
Payables	9,100	7,711
Lease liabilities	946	734
Contract liabilities	96	1,398
Current tax liabilities	45	1,553
	10,187	11,396
NET CURRENT ASSETS	42,498	71,999
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,414	2,044
Lease liabilities	1,264	873
Deferred income on government grants	-	11
	3,678	2,928
NET ASSETS	106,699	108,202
EQUITY		
Share capital	62,393	61,792
Share option reserve	2,885	2,103
Treasury shares	(1,410)	(1,341)
Revaluation surplus	2,351	1,852
Retained profits	40,143	41,957
Equity attributable to owners of the Company	106,362	106,363
Non-controlling interests	337	1,839
TOTAL EQUITY	106,699	108,202
Net assets per share attributable to owners of the Company (sen)	19.53	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 2024 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Audited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 30 June 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	
Purchase of own shares	-	(69)	-	-	-	(69)	-	(69)	
Issue of shares pursuant to ESOS	601	-	(159)	-	-	442	-	442	
Share-based payments	-	-	941	-	(61)	880	61	941	
Dividends	-	-	-	-	(8,171)	(8,171)	-	(8,171)	
Total transactions with owners	601	(69)	782	-	(8,232)	(6,918)	61	(6,857)	
Gross revaluation increase of properties	-	-	-	656	-	656	75	731	
Deferred tax effect thereof	-	-	-	(157)	-	(157)	(18)	(175)	
Total other comprehensive income for the financial year	-	-	-	499	-	499	57	556	
Profit/(Loss) for the financial year	-	-	-	-	6,418	6,418	(1,620)	4,798	
Comprehensive income for the financial year	-	-	-	499	6,418	6,917	(1,563)	5,354	
Balance as at 30 June 2024	62,393	(1,410)	2,885	2,351	40,143	106,362	337	106,699	
Balance as at 01 July 2022	59,996	(1,341)	1,283	1,852	41,136	102,926	3,722	106,648	
Issue of shares pursuant to ESOS	1,796	-	(474)	-	-	1,322	-	1,322	
Share-based payments	-	-	1,294	-	(109)	1,185	109	1,294	
Dividends	-	-	-	-	(8,155)	(8,155)	-	(8,155)	
Total transactions with owners	1,796	-	820	-	(8,264)	(5,648)	109	(5,539)	
Profit/(Loss) (representing comprehensive income) for the financial year	-	-	-	-	9,085	9,085	(1,992)	7,093	
Balance as at 30 June 2023	61,792	(1,341)	2,103	1,852	41,957	106,363	1,839	108,202	

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 2024 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Audited Condensed Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	Current Year-To-Date Ended 30/06/2024 RM'000	Corresponding Preceding Year-To-Date Ended 30/06/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,883	13,138
Adjustments for:		
Amortisation of deferred income	(11)	(239)
Depreciation of property, plant and equipment	3,754	4,626
Depreciation of right-of-use assets	1,226	1,153
Fair value gains on financial instruments	(1,117)	(1,491)
Fair value gains on investment properties	(2,629)	-
Gain on disposal of property, plant and equipment	(2)	(42)
Impairment gains on financial assets	(459)	(356)
Impairment loss on goodwill	3,000	300
Interest expense	93	45
Interest income	(141)	(317)
Inventories written down	1,211	1,037
Property, plant and equipment written off	2	1
Reversal of inventories written down	(250)	(123)
Share-based payments	941	1,294
Unrealised gain on foreign exchange	(3)	(558)
Operating profit before working capital changes	<u>13,498</u>	<u>18,468</u>
Changes in:		
Inventories	765	2,149
Receivables	3,848	2,652
Prepayments	(77)	(184)
Payables	1,395	(4,460)
Contract liabilities	(1,302)	(424)
Cash generated from operations	<u>18,127</u>	<u>18,201</u>
Tax paid	(4,395)	(4,721)
Tax refunded	8	1,662
Net cash from operating activities	<u>13,740</u>	<u>15,142</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment properties	(24,821)	-
Acquisition of property, plant and equipment	(8,091)	(5,200)
Acquisition of right-of-use assets	(1)	-
Acquisition of short-term investment	-	(1,972)
Contingent consideration received	362	-
Interest and fund distributions received	1,251	1,446
Proceeds from disposal of property, plant and equipment	5	50
Redemption of short-term investment	2,035	-
Net cash used in investing activities	<u>(29,260)</u>	<u>(5,676)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(8,171)	(8,155)
Interest paid	(93)	(45)
Issue of shares pursuant to ESOS	442	1,322
Payment of lease liabilities	(935)	(901)
Purchase of own shares	(69)	-
Net cash used in financing activities	<u>(8,826)</u>	<u>(7,779)</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 2024 and the accompanying explanatory notes attached to this interim financial report

FOUNDPAC GROUP BERHAD

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Registration No.: 201501040628 (1165946-H)

Audited Condensed Consolidated Statement of Cash Flows for the Year Ended 30 June 2024 (cont'd)

	Current Year-To-Date Ended 30/06/2024 RM'000	Corresponding Preceding Year-To-Date Ended 30/06/2023 RM'000
Currency translation differences	1	110
Net (decrease)/increase in cash and cash equivalents	(24,345)	1,797
Cash and cash equivalents brought forward	52,182	50,385
Cash and cash equivalents carried forward	<u>27,837</u>	<u>52,182</u>
Analysis of cash and cash equivalents:		
- Cash and bank balances	2,149	6,920
- Term deposits	548	7,139
- Short term funds at fair value	25,140	38,123
	<u>27,837</u>	<u>52,182</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 2024 and the accompanying explanatory notes attached to this interim financial report

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 2024 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
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 2024

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

A1 Basis of Preparation (Cont’d)

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group and the Company will initially apply the new requirements of MFRS 18 in the financial year ending 30 June 2028.

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 quarter under review, 200,000 ordinary shares were repurchased in the open market at an average price of RM0.345 per share and retained as treasury shares of the Company. The repurchased transactions were financed by internally generated funds. As at 30 June 2024, the total number of issued ordinary shares of the Company are 546,847,000 ordinary shares inclusive of 2,200,000 ordinary shares held as treasury shares.

A6 Dividends Paid

A second single tier interim dividend of 1.0 sen per share amounting to RM 5,446,470 in respect of the financial year ending 30 June 2024 was declared on 14 May 2024 and paid on 26 June 2024 to depositors registered in the records of Depositors at the close of business on 12 June 2024.

A7 Segmental Information

Operating Segments

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

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

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 30 June 2024						
Statement of Financial Position						
Segment assets	79,479	18,722	5,163	16,169	1,031	120,564
Included in the measure of segment assets are:						
- Additions to non-current assets	31,474	188	9	1,886	-	33,557
Segment liabilities	6,226	911	280	6,165	283	13,865
Statement of Comprehensive Income						
Segment profit/(loss)	14,182	(3,082)	(497)	(5,066)	(739)	4,798
Included in the measure of segment profit/(loss) are:						
- External revenue	36,502	4,249	4,007	19,384	10	64,152
- Intersegment revenue	1	4	-	76	-	81
- Interest and fund distributions income	873	257	93	-	35	1,258
- Non-cash income	2,889	141	339	-	-	3,369
- Interest expense	-	29	-	64	-	93
- Depreciation	3,124	458	46	1,352	-	4,980
- Impairment loss on goodwill	-	2,700	-	300	-	3,000
- Other non-cash expenses	1,076	189	424	424	58	2,171
- Tax expense/(income)	3,142	(15)	17	(60)	1	3,085

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 Year Ended 30 June 2023						
Statement of Financial Position						
Segment assets	73,724	25,043	8,492	14,497	770	122,526
Included in the measure of segment assets are:						
- Additions to non-current assets	1,984	756	33	1,190	-	3,963
Segment liabilities	6,573	1,279	2,202	4,137	133	14,324
Statement of Comprehensive Income						
Segment profit/(loss)	13,420	775	1,278	(8,197)	(183)	7,093
Included in the measure of segment profit/(loss) are:						
- External revenue	43,597	6,705	8,405	13,666	10	72,383
- Intersegment revenue	5	3	-	100	-	108
- Interest and fund distributions income	1,130	267	33	-	16	1,446
- Non-cash income	709	174	263	130	362	1,638
- Interest expense	-	4	-	41	-	45
- Depreciation	3,797	590	75	1,317	-	5,779
- Impairment loss on goodwill	-	-	-	300	-	300
- Other non-cash expenses	1,018	160	214	813	127	2,332
- Tax expense	4,242	225	418	1,160	-	6,045

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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		Cumulative	
	3 Months Ended		Financial Year Ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	6,252	7,229	23,627	25,164
America	4,104	5,164	14,547	19,699
Europe	2,417	3,277	10,071	13,832
Other Asian countries	3,906	4,207	15,885	13,644
Others	-	18	22	44
	<u>16,679</u>	<u>19,895</u>	<u>64,152</u>	<u>72,383</u>

A8 Contractual Commitments

	30/06/2024 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 30 June 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 30 June 2024.

Fair Value Changes of Financial Liabilities

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

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 owner-occupied 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).

When transaction price represents fair value at initial recognition, the subsequent fair value of investment properties that generate rental income is measured using a combination of the fair value at initial recognition and the income approach (i.e. Level 2). The respective indications of fair value are evaluated considering the reasonableness of the range of values indicated, and a fair value measurement is the point within that range that is most representative of fair value in the circumstances.

Financial Assets and Financial Liabilities

The carrying amounts of financial assets and financial liabilities measured at amortised cost which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair values of contingent consideration assets are measured using probability-weighted present value technique by discounting the expected future cash flows using the Group's observable cost of capital dictated by external market (i.e. Level 2).

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

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Explanatory Notes to Condensed Consolidated Financial Statements – 30 June 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 Year Ended			
	30/06/2024	30/06/2023	Variance		30/06/2024	30/06/2023	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	16,679	19,895	(3,216)	(16.16)	64,152	72,383	(8,231)	(11.37)
Profit before tax	2,529	3,701	(1,172)	(31.67)	7,883	13,138	(5,255)	(40.00)
Profit for the financial period	1,763	796	967	121.48	4,798	7,093	(2,295)	(32.36)
Profit attributable to owners of the Company	2,159	1,832	327	17.85	6,418	9,085	(2,667)	(29.36)

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded a revenue of RM16.679 million and profit before tax ("PBT") of RM2.529 million.

The decrease in revenue for the current quarter by RM3.216 million or 16.16% as compared to RM19.895 million in the corresponding preceding quarter ended 30 June 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 RM10.427 million or 62.52% of the Group's total revenue for the current quarter against RM12.666 million or 63.66% for the Corresponding Preceding Quarter. The lower export sales percentage was due to the increase in sales from the cables and connectors segment which are primarily from the domestic market and decrease in export sales to America and Europe from precision engineering segment.

The Group recorded a PBT of RM2.529 million for the current quarter, representing a decrease of RM1.172 million or 31.67% as compared to PBT of RM3.701 million recorded in the Corresponding Preceding Quarter. The decrease in PBT was mainly due to the reduction in revenue from the automation, precision engineering and laser stencils segments as the semiconductor industry was still navigating through challenging business landscape.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period to-date, the Group recorded a revenue of RM64.152 million and PBT of RM7.883 million.

The decrease in revenue for the current financial period to-date, representing a reduction of RM8.231 million or 11.37% was mainly attributable to the lower revenue from precision engineering, laser stencils and automation segments, offset by higher sales from the cables and connectors segment.

Export sales accounted for RM40.525 million or 63.17% of the Group's total revenue for the current cumulative period against RM47.219 million or 65.23% 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 RM7.883 million for the current financial period to-date, representing a decrease of RM5.255 million or 40% as compared to PBT of RM13.138 million recorded in the Corresponding Preceding Cumulative Period. The decrease in PBT was attributable mainly to the lower revenue across the precision engineering, laser stencils and automation segments.

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

B2 Review of Performance

- Comparison between Current Quarter and Immediate Preceding Quarter

	Individual Quarter		Variance	
	3 Months Ended			
	30/06/2024	31/3/2024		
	RM'000	RM'000	RM'000	%
Revenue	16,679	14,405	2,274	15.79
Profit before tax	2,529	1,660	869	52.35
Profit for the financial period	1,763	810	953	117.65
Profit attributable to owners of the Company	2,159	1,331	828	62.21

The Group recorded a revenue of RM16.679 million in the current quarter, which was higher by RM2.274 million or 15.79% than RM14.405 million recorded in the immediate preceding quarter mainly due to higher revenue from all segments.

PBT for the current quarter was RM2.529 million, higher by RM0.869 million or 52.35% as compared to RM1.66 million in the immediate preceding quarter. This was mainly due to higher revenue recorded by all segments in the current quarter.

B3 Commentary on Prospects

With a mix of optimism and caution in the semiconductor industry, reflecting both promising developments and on-going challenges, the Group expects a differing impact and timing of recovery on its respective segments. On the overall, the Group anticipates an uptick in demand and positive shift in market sentiment going forward. Barring any unforeseen circumstances, the Board is confident that the tide has turned and is optimistic that the new financial year 2025 shall record an improved performance as the semiconductor industry is poised for growth, driven by technological advancement and innovation.

B4 Profit Forecast

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

B5 Tax Expense

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Year Ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM'000	RM'000	RM'000	RM'000
Current tax	323	1,622	2,706	4,826
Deferred tax	443	1,283	379	1,219
	<u>766</u>	<u>2,905</u>	<u>3,085</u>	<u>6,045</u>

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

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B6 Status of Corporate Proposals

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

B7 Borrowings

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

B8 Changes in Material Litigation

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

B9 Dividend

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

B10 Earnings Per Share (“EPS”)

	Individual Quarter		Cumulative	
	3 Months Ended 30/06/2024	30/06/2023	Financial Year Ended 30/06/2024	30/06/2023
Profit attributable to owners of the Company (RM'000)	2,159	1,832	6,418	9,085
Weighted average number of ordinary shares in issue for computing basic EPS ('000)	544,647	543,712	544,742	543,147
Basic EPS (sen)	<u>0.40</u>	<u>0.34</u>	<u>1.18</u>	<u>1.67</u>
Weighted average number of ordinary shares in issue for computing diluted EPS ('000)	544,647	543,712	545,095	545,136
Diluted EPS (sen)	<u>0.40⁽¹⁾</u>	<u>0.34</u>	<u>1.18</u>	<u>1.67</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.

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B11 Profit Before Tax

	Individual Quarter 3 Months Ended		Cumulative Financial Year Ended	
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation	1,347	1,411	4,980	5,779
Amortisation of deferred income	-	(60)	(11)	(239)
Fair value gains on financial instruments	(252)	(703)	(1,117)	(1,491)
Fair value gains on investment properties	(2,629)	-	(2,629)	-
Realised gain on foreign exchange	(63)	(557)	(487)	(1,050)
Unrealised loss/(gain) on foreign exchange	88	(753)	(3)	(558)
Gain on disposal of property, plant and equipment	(2)	(48)	(2)	(42)
Impairment loss on goodwill	3,000	300	3,000	300
Impairment gains on financial assets	(459)	(356)	(459)	(356)
Interest expense for lease liabilities	32	12	93	45
Interest income	(11)	(145)	(141)	(317)
Inventories written down	1,211	1,037	1,211	1,037
Operating lease income from investment properties	(750)	-	(1,600)	-
Property, plant and equipment written off	-	-	2	1
Reversal of inventories written down	(250)	(123)	(250)	(123)
Share-based payments	158	197	941	1,294

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.