



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

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

FOUND PAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

**Unaudited Condensed Consolidated Statement of Comprehensive Income
for the Financial Period Ended 31 December 2021**

		Individual Quarter		Cumulative Period	
		Current	Corresponding	Current	Corresponding
		Quarter	Preceding	Period-To-Date	Preceding
		Ended	Quarter	Ended	Period-To-Date
	Note	31.12.2021	Ended	31.12.2021	Ended
		RM'000	31.12.2020	RM'000	31.12.2020
			RM'000		RM'000
Revenue		18,363	11,626	30,811	24,066
Cost of goods sold		(11,557)	(6,595)	(19,031)	(13,321)
Gross profit		<u>6,806</u>	<u>5,031</u>	<u>11,780</u>	<u>10,745</u>
Impairment gains on financial assets		-	197	-	197
Interest income		190	215	409	456
Other income		204	60	297	190
Administrative and general expenses		(2,412)	(2,028)	(3,927)	(3,198)
Selling and distribution expenses		(521)	(671)	(1,051)	(1,444)
Finance costs		(114)	(2)	(118)	(5)
Profit before tax	B11	<u>4,153</u>	<u>2,802</u>	<u>7,390</u>	<u>6,941</u>
Tax expense	B5	(943)	(695)	(1,822)	(1,631)
Profit for the financial period		<u>3,210</u>	<u>2,107</u>	<u>5,568</u>	<u>5,310</u>
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		<u>3,210</u>	<u>2,107</u>	<u>5,568</u>	<u>5,310</u>
Profit for the financial period attributable to:-					
- Owners of the Company		3,115	2,011	5,513	5,085
- Non-controlling interests		95	96	55	225
		<u>3,210</u>	<u>2,107</u>	<u>5,568</u>	<u>5,310</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		3,115	2,011	5,513	5,085
- Non-controlling interests		95	96	55	225
		<u>3,210</u>	<u>2,107</u>	<u>5,568</u>	<u>5,310</u>
Earnings per share:-	B10				
- Basic (sen)		0.58	0.37	1.02	0.94
- Diluted (sen)		<u>0.58</u>	<u>0.37</u>	<u>1.02</u>	<u>0.94</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 2021 and the accompanying explanatory notes attached to this interim financial report.

FOUND PAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2021

	As at 31.12.2021 (Unaudited) RM'000	As at 30.6.2021 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	15,996	15,317
Right-of-use assets	10,656	9,041
Intangible assets	69	78
Goodwill	16,682	15,001
Deferred tax assets	1,385	340
	44,788	39,777
CURRENT ASSETS		
Inventories	12,059	4,754
Receivables	13,696	9,486
Prepayments	312	151
Current tax assets	1,469	503
Cash and cash equivalents	50,544	56,197
	78,080	71,091
CURRENT LIABILITIES		
Payables	12,863	4,840
Lease liabilities	965	-
Contract liabilities	983	512
Current tax liabilities	37	17
	14,848	5,369
NET CURRENT ASSETS	63,232	65,722
NON-CURRENT LIABILITIES		
Lease liabilities	736	-
Deferred tax liabilities	2,286	2,328
Deferred income on government grants	370	489
	3,392	2,817
NET ASSETS	104,628	102,682
EQUITY		
Share capital	59,996	59,996
Treasury shares	(977)	(821)
Revaluation surplus	1,852	1,852
Retained profits	39,839	37,692
Equity attributable to owners of the Company	100,710	98,719
Non-controlling interests	3,918	3,963
TOTAL EQUITY	104,628	102,682
Net assets per share attributable to owners of the Company (sen)	18.61	18.24

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 2021 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 December 2021

			<u>Non-distributable</u>	<u>Distributable</u>	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	Revaluation surplus RM'000	Retained profits RM'000			
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 shares	-	(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>1,852</u>	<u>39,839</u>	<u>100,710</u>	<u>3,918</u>	<u>104,628</u>
Balance as at 1 July 2020	59,996	-	1,852	34,166	96,014	3,287	99,301
Acquisition of subsidiaries	-	-	-	-	-	470	470
Dividend (representing total transaction with owners)	-	-	-	(2,712)	(2,712)	-	(2,712)
Profit (representing comprehensive income) for the financial year	-	-	-	5,085	5,085	225	5,310
Balance as at 31 December 2020	<u>59,996</u>	<u>-</u>	<u>1,852</u>	<u>36,539</u>	<u>98,387</u>	<u>3,982</u>	<u>102,369</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 2021 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 2021

	Current Period-To-Date Ended 31.12.2021	Corresponding Preceding Period-To-Date Ended 31.12.2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,390	6,941
Adjustments for:-		
Amortisation and depreciation	2,727	2,379
Amortisation of deferred income	(120)	(120)
Gain on disposal of property, plant and equipment	1	(70)
Impairment losses on financial assets	-	(197)
Interest expense	118	5
Interest income	(409)	(456)
Inventories written down	-	13
Reversal of inventories written down	(153)	(26)
Unrealised loss on foreign exchange	85	135
Operating profit before working capital changes	<u>9,639</u>	<u>8,604</u>
Changes in:-		
Inventories	(930)	1,019
Receivables	2,729	6,094
Prepayments	85	212
Payables	(2,243)	(1,553)
Contract liabilities	470	(698)
Cash generated from operations	<u>9,750</u>	<u>13,678</u>
Tax paid	(2,504)	(2,229)
Tax refunded	-	24
Net cash from operating activities	<u>7,246</u>	<u>11,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	-	(31)
Acquisition of property, plant and equipment	(291)	(2,995)
Acquisition of subsidiary, net of cash acquired	(3,631)	(1,676)
Addition in investment in subsidiary	(4,500)	-
Interest received	409	456
Proceeds from disposal of property, plant and equipment	-	72
Net cash used in investing activities	<u>(8,013)</u>	<u>(4,174)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(2,705)	(2,712)
Interest paid	(118)	(5)
Issue of preference shares	858	-
Payment of lease liabilities	(264)	(108)
Payment of term loan	(2,416)	-
Purchase of own shares	(156)	-
Redemption of preference shares	-	(20)
Net cash used in financing activities	<u>(4,801)</u>	<u>(2,845)</u>
Effect of exchange rate changes on cash and cash equivalents	(85)	(135)
Net (decrease)/increase in cash and cash equivalents	(5,653)	4,319
Cash and cash equivalents brought forward	56,197	51,136
Cash and cash equivalents carried forward	<u>50,544</u>	<u>55,455</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	16,340	44,967
- Cash and bank balances	<u>34,204</u>	<u>10,488</u>
	<u>50,544</u>	<u>55,455</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 2021 and the accompanying explanatory notes attached to this interim financial report.

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Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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 2021 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and method of computation adopted in the interim financial report are consistent with those adopted as disclosed in the audited financial statements of the Group for the financial year ended 30 June 2021 except for the adoption of the following MFRSs which became effective for the financial period under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Group and the Company have also early applied the Amendment to MFRS 16 Covid-19-Related Rent Concessions which is effective for annual periods beginning on or after 1 June 2020.

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 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
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 17 <i>Insurance Contracts</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 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 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

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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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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, 233,600 ordinary shares were repurchased in the open market at an average price of RM0.669 per share and retained as treasury shares of the Company. The repurchased transactions were financed by internally generated funds. As at 31 December 2021, the total number of issued ordinary shares of the Company is 542,322,500 ordinary shares inclusive of 1,287,500 ordinary shares held as treasury shares.

A6 Dividends Paid

An interim single tier dividend of RM0.005 per share amounting to RM2,705,400 in respect of the financial year ending 30 June 2022 was paid by the Company on 30 December 2021.

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 - Manufacture and sale of accessory cables and connectors

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021**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 RM'000	Unallocated non-operating segments RM'000	Consolidations adjustments and eliminations 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	67,944	(67,328)	122,866
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	106	-	18,239
STATEMENT OF COMPREHENSIVE INCOME							
Segment profit/(loss)	4,990	848	(72)	118	8,284	(8,600)	5,568
Included in the measure of segment profit/(loss) are:-							
- External revenue	19,588	4,209	1,535	5,471	8,608	(8,600)	30,811
- Interest income	285	95	12	-	17	-	409
- Non-cash income	71	-	-	120	-	-	191
- Interest expense	-	8	-	110	-	-	118
- Amortisation and depreciation	1,861	479	51	326	10	-	2,727
- Tax expense	1,424	268	63	67	-	-	1,822

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021**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	Unallocated non-operating segments RM'000	Consolidations adjustments and eliminations RM'000	Total RM'000
<u>Financial period ended 31 December 2020</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	68,316	27,861	4,827	64,012	(54,431)	110,585
Included in the measure of segment assets are:-						
- Additions to non-current assets	2,851	12	132	31	-	3,026
Segment liabilities	5,408	953	1,776	82	(3)	8,216
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	4,587	1,113	(4)	3,914	(4,300)	5,310
Included in the measure of segment profit/(loss) are:-						
- External revenue	16,855	5,018	2,192	4,304	(4,303)	24,066
- Interest income	295	66	2	93	-	456
- Non-cash income	146	197	-	-	-	343
- Interest expense	-	5	-	-	-	5
- Depreciation	2,032	306	29	12	-	2,379
- Other non-cash expenses	135	13	-	-	-	148
- Tax expense	1,279	352	-	-	-	1,631

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
North America	6,265	3,923	12,610	8,752
Other Asian countries	6,188	1,353	7,893	2,950
Malaysia	3,676	3,110	6,133	5,689
Europe	2,082	3,114	3,921	5,608
Africa	116	126	189	1,067
Others	36	-	65	-
	<u>18,363</u>	<u>11,626</u>	<u>30,811</u>	<u>24,066</u>

A8 Contractual Commitments

	31.12.2021 RM'000
Purchase of property, plant and equipment	<u>267</u>

A9 Changes in Composition

On 6 September 2021, the Company through its wholly-owned subsidiary, FoundPac Capital Sdn. Bhd. entered into a Share Sale Agreement with Ng Phaik Lee and Kameda Shin to acquire 6,300,000 ordinary shares representing 70% equity interests in SDKM Technologies Sdn. Bhd. ("SDKM") for a total cash consideration of RM8,400,000. The acquisition was completed on 15 October 2021. Subsequent to the acquisition, SDKM became a subsidiary of the Group.

A10 Contingencies

There were no significant changes in contingent assets and contingent liabilities since 30 June 2021.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to 31 December 2021 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 2021

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 2021.

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.

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 cash equivalents and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

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

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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 Period

	Individual Quarter				Cumulative			
	3 Months Ended				Financial Period Ended			
	31.12.2021	31.12.2020	Variance		31.12.2021	31.12.2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	18,363	11,626	6,737	57.95	30,811	24,066	6,745	28.03
Profit before tax	4,153	2,802	1,351	48.22	7,390	6,941	449	6.47
Profit for the financial period	3,210	2,107	1,103	52.35	5,568	5,310	258	4.86
Profit attributable to owners of the Company	3,115	2,011	1,104	54.90	5,513	5,085	428	8.42

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded revenue of RM18.363 million and profit before tax ("PBT") of RM4.153 million respectively.

The increase in revenue for the current quarter, which representing an increase of RM6.737 million or 57.95% as compared to revenue of RM11.626 million in the corresponding preceding quarter ended 31 December 2020 ("Corresponding Preceding Quarter") was mainly attributable to the revenue contribution from the group's new segment, Accessory cables of RM5.471 million.

The export sales remained the main contributor to our Group's total revenue, which accounted for RM14.687 million or 79.98% of our Group's total revenue for the current quarter and RM8.516 million or 73.25% of our Group's total revenue for the corresponding preceding quarter.

Our Group recorded PBT of RM4.153 million for the current quarter, representing an increase of RM1.351 million or 48.22% as compared to PBT of RM2.802 million recorded in the Corresponding Preceding Quarter. The increase in PBT was mainly due to lower in administrative and general expenses of precision engineering and laser stencils segments.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period-to-date, the Group recorded total revenue of RM30.811 million and total PBT of RM7.390 million respectively.

The higher revenue for the current financial period-to-date, which representing an increase of RM6.745 million or 28.03% as compared to revenue of RM24.066 million recorded in the corresponding preceding cumulative period ended 31 December 2021 ("Corresponding Preceding Cumulative Period"), was mainly attributable to the higher revenue recorded in the second quarter of the current financial year due to the revenue contribution from Accessory cables segment.

Our Group recorded PBT of RM7.390 million for the current financial period-to-date, representing a increase of RM0.449 million or 6.47% as compared to PBT of RM6.941 million recorded in Corresponding Preceding Cumulative Period. The increment of PBT is not in line with the increment of the revenue was mainly due to higher administrative expenses incurred in Accessory cables segment that leads to a lower PBT margin.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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

B2 Review of Performance

- Comparison between Current Quarter and Immediate Preceding Quarter

	Individual Quarter		Variance	
	3 Months Ended		RM'000	%
	31.12.2021	30.09.2021		
	RM'000	RM'000		
Revenue	18,363	12,448	5,915	47.52
Profit before tax	4,153	3,237	916	28.30
Profit for the financial period	3,210	2,358	852	36.13
Profit attributable to owners of the Company	3,115	2,398	717	29.90

The Group recorded revenue of RM18.363 million in the current quarter, which was higher by RM5.915 million or 47.52% than RM12.448 million recorded in the immediate preceding quarter was mainly attributable to the revenue contribution from the group's new segment, Accessory cables. The Group recorded PBT of RM4.153 million in the current quarter; increase by RM0.916 million or 28.30% as compared to RM3.237 million was mainly due to lower in administrative and general expenses of precision engineering and laser stencils segments.

B3 Commentary on Prospects

Amidst current market uncertainties on global supply chains issue leading to the raw material price fluctuations, the market outlook in the months to come is expected to recover progressively based on the current macro-economic situation and following most countries are opening their international borders. Besides, the Board and the management are confident about the contribution from the new segment of the Group. Notwithstanding the external circumstances, the Board remains cautiously optimistic on the Group's business prospects in coming 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		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current tax	964	728	1,864	1,697
Deferred tax	(21)	(33)	(42)	(66)
	<u>943</u>	<u>695</u>	<u>1,822</u>	<u>1,631</u>

The effective tax rate of the Group for the current quarter was close to the statutory tax rate of 24%.

The effective tax rate of the Group for the corresponding preceding quarter was slightly higher than the statutory tax rate of 24%. This was mainly due to non-deductible expenses.

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Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021

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

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

B10 Earnings Per Share (“EPS”)

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to owners of the Company (RM'000)	3,115	2,011	5,513	5,085
Weighted average number of shares for computing basic EPS ('000)	541,125	542,323	541,125	542,323
Basic EPS (sen)	<u>0.58</u>	<u>0.37</u>	<u>1.02</u>	<u>0.94</u>
Weighted average number of shares for computing diluted EPS ('000)	541,125	542,323	541,125	542,323
Diluted EPS (sen)	<u>0.58</u>	<u>0.37</u>	<u>1.02</u>	<u>0.94</u>

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements – 31 December 2021**Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad****B11 Profit Before Tax**

	Individual Quarter		Cumulative	
	3 Months Ended		Financial Period Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,529	1,223	2,727	2,379
Amortisation of deferred income	(60)	(60)	(120)	(120)
(Gain)/Loss on foreign exchange:-				
- Realised	-	275	(105)	408
- Unrealised	118	120	85	135
(Gain)/Loss on disposal of property, plant and equipment	-	-	1	(70)
Impairment gains on financial assets	-	(197)	-	(197)
Interest expense for lease liabilities	114	2	118	5
Interest income	(190)	(215)	(409)	(456)
Inventories written down	-	13	-	13
Reversal of inventories written down	(132)	-	(153)	(26)
Short-term lease liabilities	47	55	94	80

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.