



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

**UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 2019**

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 31.12.2019 RM'000	Corresponding Preceding Quarter Ended 31.12.2018 RM'000	Current Period-To-Date Ended 31.12.2019 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2018 RM'000
Revenue		14,532	11,046	27,494	21,298
Cost of goods sold		(6,338)	(5,357)	(12,111)	(10,581)
Gross profit		<u>8,194</u>	<u>5,689</u>	<u>15,383</u>	<u>10,717</u>
Interest income		333	284	597	553
Other income		256	131	463	246
Administrative and general expenses		(1,342)	(1,446)	(2,461)	(2,588)
Selling and distribution expenses		(817)	(741)	(1,454)	(1,481)
Finance costs		(5)	-	(10)	-
Profit before tax	B11	<u>6,619</u>	<u>3,917</u>	<u>12,518</u>	<u>7,447</u>
Tax expense	B5	(1,433)	(977)	(2,910)	(1,902)
Profit for the financial period		<u>5,186</u>	<u>2,940</u>	<u>9,608</u>	<u>5,545</u>
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		<u>5,186</u>	<u>2,940</u>	<u>9,608</u>	<u>5,545</u>
Profit for the financial period attributable to:-					
- Owners of the Company		4,646	2,732	8,727	5,150
- Non-controlling interests		540	208	881	395
		<u>5,186</u>	<u>2,940</u>	<u>9,608</u>	<u>5,545</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		4,646	2,732	8,727	5,150
- Non-controlling interests		540	208	881	395
		<u>5,186</u>	<u>2,940</u>	<u>9,608</u>	<u>5,545</u>
Earnings per share:-	B10				
- Basic (sen)		0.88	0.53	1.66	0.99
- Diluted (sen)		<u>0.87</u>	<u>0.53</u>	<u>1.64</u>	<u>0.99</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 2019 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 31 December 2019

	As at 31.12.2019 (Unaudited) RM'000	As at 30.6.2019 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	27,564	23,207
Goodwill	12,647	12,647
	<u>40,211</u>	<u>35,854</u>
CURRENT ASSETS		
Inventories	3,966	3,472
Receivables	14,498	11,568
Prepayments	280	6,001
Current tax assets	33	22
Cash and cash equivalents	45,194	32,428
	<u>63,971</u>	<u>53,491</u>
CURRENT LIABILITIES		
Payables	3,974	3,242
Lease liability	212	-
Current tax liabilities	2,066	918
	<u>6,252</u>	<u>4,160</u>
NET CURRENT ASSETS	57,719	49,331
NON-CURRENT LIABILITIES		
Lease liability	111	-
Deferred tax liabilities	2,338	2,398
Deferred income on government grants	848	334
	<u>3,297</u>	<u>2,732</u>
NET ASSETS	<u>94,633</u>	<u>82,453</u>
EQUITY		
Share capital	55,156	51,960
Share option reserve	1,123	1,747
Revaluation surplus	1,852	1,852
Retained profits	33,337	24,613
Equity attributable to owners of the Company	<u>91,468</u>	<u>80,172</u>
Non-controlling interests	3,165	2,281
TOTAL EQUITY	<u>94,633</u>	<u>82,453</u>
Net assets per share attributable to owners of the Company (sen)	<u>17.31</u>	<u>15.45</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 2019 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 December 2019

	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	Share option reserve RM'000	Revaluation surplus RM'000	Retained profits RM'000			
Balance as at 1 July 2019	51,960	1,747	1,852	24,613	80,172	2,281	82,453
Share-based payments	-	117	-	(3)	114	3	117
Issue of shares pursuant to Employees' Share Option Scheme	3,196	(741)	-	-	2,455	-	2,455
Total transactions with owners	3,196	(624)	-	(3)	2,569	3	2,572
Profit (representing comprehensive income) for the financial period	-	-	-	8,727	8,727	881	9,608
Balance as at 31 December 2019	<u>55,156</u>	<u>1,123</u>	<u>1,852</u>	<u>33,337</u>	<u>91,468</u>	<u>3,165</u>	<u>94,633</u>
Balance as at 1 July 2018	51,605	1,155	-	18,019	70,779	1,660	72,439
Share-based payments	211	(49)	-	-	162	-	162
Issue of shares pursuant to Employees' Share Option Scheme	-	425	-	(17)	408	17	425
Total transactions with owners	211	376	-	(17)	570	17	587
Profit (representing comprehensive income) for the financial period	-	-	-	5,150	5,150	395	5,545
Balance as at 31 December 2018	<u>51,816</u>	<u>1,531</u>	<u>-</u>	<u>23,152</u>	<u>76,499</u>	<u>2,072</u>	<u>78,571</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 2019 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 2019**

	Current Period-To-Date Ended 31.12.2019 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,518	7,447
Adjustments for:-		
Amortisation of deferred income	(269)	-
Depreciation of property, plant and equipment	2,210	1,395
Gain on disposal of property, plant and equipment	(62)	(3)
Impairment loss on receivables	-	100
Interest expense	10	-
Interest income	(597)	(553)
Inventories written down	77	-
Reversal of inventories written down	(8)	-
Share-based payments	117	425
Unrealised loss on foreign exchange	32	32
Operating profit before working capital changes	<u>14,028</u>	<u>8,843</u>
Changes in:-		
Inventories	(563)	(1,132)
Receivables	(2,930)	483
Prepayments	5,721	(180)
Payables	732	1,236
Cash generated from operations	<u>16,988</u>	<u>9,250</u>
Tax paid	<u>(1,833)</u>	<u>(1,227)</u>
Net cash from operating activities	<u>15,155</u>	<u>8,023</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Grant received	783	-
Interest received	597	553
Proceeds from disposal of property, plant and equipment	67	3
Purchase of property, plant and equipment	<u>(6,147)</u>	<u>(5,201)</u>
Net cash used in investing activities	<u>(4,700)</u>	<u>(4,645)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	2,455	162
Repayment of lease obligations	<u>(112)</u>	<u>-</u>
Net cash from financing activities	<u>2,343</u>	<u>162</u>
Effect of exchange rate changes on cash and cash equivalents	(32)	(19)
Net increase in cash and cash equivalents	12,766	3,521
Cash and cash equivalents brought forward	32,428	33,144
Cash and cash equivalents carried forward	<u>45,194</u>	<u>36,665</u>
Analysis of cash and cash equivalents:-		
- Short-term highly liquid investments	41,702	32,534
- Cash and bank balances	<u>3,492</u>	<u>4,131</u>
	<u>45,194</u>	<u>36,665</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 2019 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 2019

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 2019 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 2019 except for the adoption of the following MFRS:-

The following MFRSs became effective for the financial period under review:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group except as follows:-

MFRS 16 Leases

MFRS 16, which replaces MFRS 117 Leases and other related interpretations, eliminates the distinction between finance and operating leases for lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The initial application of MFRS 16 using a single lessee accounting model were not material to the Group.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019

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

A1 Basis of Preparation (cont’d)

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:-

<u>MFRS (issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
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 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
Interest Rate Benchmark Reform (Amendments to MFRS 9 <i>Financial Instruments</i> , MFRS 139 <i>Financial Instruments: Recognition and Measurement</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2020

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

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 8,168,500 new ordinary shares at exercise price of RM0.265 pursuant to the Employees’ Shares Option Scheme.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter under review.

A6 Dividends Paid

No dividend was paid during the current quarter under review.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019

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

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

	Precision engineering RM'000	Laser stencils RM'000	Total RM'000
<u>Financial period ended 31.12.2019</u>			
STATEMENT OF FINANCIAL POSITION			
Segment assets	77,222	26,960	104,182
Included in the measure of segment assets are:-			
- Additions to non-current assets	5,825	322	6,147
Segment liabilities	8,285	1,264	9,549
STATEMENT OF COMPREHENSIVE INCOME			
Segment profit	6,085	3,523	9,608
Included in the measure of segment profit are:-			
- External revenue	19,711	7,783	27,494
- Interest income	524	73	597
- Non-cash income	277	-	277
- Depreciation	1,936	274	2,210
- Other non-cash expenses	216	20	236
- Tax expense	1,899	1,011	2,910

Financial period ended 31.12.2018

STATEMENT OF FINANCIAL POSITION			
Segment assets	62,920	22,129	85,049
Included in the measure of segment assets are:-			
- Additions to non-current assets	4,774	427	5,201
Segment liabilities	5,607	871	6,478
STATEMENT OF COMPREHENSIVE INCOME			
Segment profit	3,965	1,580	5,545
Included in the measure of segment profit are:-			
- External revenue	16,006	5,292	21,298
- Interest income	485	68	553
- Non-cash income	-	-	-
- Depreciation	1,249	146	1,395
- Other non-cash expenses	487	70	557
- Tax expense	1,352	550	1,902

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“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 Period	
	Current Quarter Ended 31.12.2019 RM'000	Corresponding Preceding Quarter Ended 31.12.2018 RM'000	Current Period-To-Date Ended 31.12.2019 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2018 RM'000
Malaysia	2,240	2,851	4,312	5,334
Other Asian countries	5,156	1,961	9,548	4,059
North America	5,111	3,351	9,731	6,875
Europe	2,025	2,883	3,891	5,030
Others	-	-	12	-
	<u>14,532</u>	<u>11,046</u>	<u>27,494</u>	<u>21,298</u>

A8 Contractual Commitments

	31.12.2019 RM'000
Purchase of property, plant and equipment	<u>589</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 2019.

A11 Material Events

There were no other material events subsequent to 31 December 2019 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 2019

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

A13 Financial Instruments

Derivatives

There were no outstanding derivatives as at 31 December 2019.

Fair Value Changes of Financial Liabilities

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

Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Non-financial Assets

The fair values of land and 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 2019

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 Corresponding				Cumulative Period Corresponding			
	Current	Preceding			Current	Preceding		
	Quarter	Quarter			Period-To-Date	Period-To-Date		
	Ended	Ended	Variance		Ended	Ended	Variance	
31.12.2019	31.12.2018	RM'000	%	31.12.2019	31.12.2018	RM'000	%	
Revenue	14,532	11,046	3,486	31.56	27,494	21,298	6,196	29.09
Profit before tax	6,619	3,917	2,702	68.98	12,518	7,447	5,071	68.09
Profit for the financial period	5,186	2,940	2,246	76.39	9,608	5,545	4,063	73.27
Profit attributable to owners of the Company	4,646	2,732	1,914	70.06	8,727	5,150	3,577	69.46

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded revenue of RM14.532 million and profit before tax ("PBT") of RM6.619 million respectively.

The increase in revenue for the current quarter, which representing an increase of RM3.486 million or 31.56% as compared to revenue of RM11.046 million recorded in the corresponding preceding quarter ended 31 December 2018 ("Corresponding Preceding Quarter"), was mainly attributable to the higher revenue contribution in export sales from both precision engineering and laser stencils segments.

The export sales remained the main contributor to our Group's total revenue for the current quarter, which accounted for RM12.292 million or 84.59% of our Group's total revenue for the current quarter. Export sales recorded in the current quarter is higher by RM4.097 million or 49.99% as compared to RM8.195 million recorded in the Corresponding Preceding Quarter. This was mainly due to surge in revenue generated from our customers in other Asian Countries and North America by RM3.195 million and RM1.760 million respectively.

Our Group recorded PBT of RM6.619 million for the current quarter, representing an increase of RM2.702 million or 68.98% as compared to PBT of RM3.917 million recorded in the Corresponding Preceding Quarter. Increase in PBT was in line with hike in revenue in the current quarter. Besides that, increase in Gross Profit margin from 51.50% recorded in the Corresponding Preceding Quarter to 56.39% in the current quarter also contributed to spike in PBT.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period-to-date, the Group recorded total revenue of RM27.494 million and total PBT of RM12.518 million respectively.

The higher revenue for the current financial period-to-date, which representing an increase of RM6.196 million or 29.09% as compared to revenue of RM21.298 million recorded in the corresponding preceding cumulative period ended 31 December 2018 ("Corresponding Preceding Cumulative Period"), was mainly attributable to the higher revenue contribution from both precision engineering and laser stencils segments.

Our Group recorded PBT of RM12.518 million for the current financial period-to-date, representing an increase of RM5.071 million or 68.09% as compared to PBT of RM7.447 million recorded in Corresponding Preceding Cumulative Period. The increase in PBT was mainly due to higher revenue contribution by both segments coupled with cost saving measures taken by the Group.

There was no unusual or material one-off gain/loss affecting the revenue or profit for the current quarter.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019

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

	Current Quarter Ended 31.12.2019 RM'000	Immediate Preceding Quarter Ended 30.9.2019 RM'000	Variance	
			RM'000	%
Revenue	14,532	12,962	1,570	12.11
Profit before tax	6,619	5,899	720	12.21
Profit for the financial period	5,186	4,422	764	17.28
Profit attributable to owners of the Company	4,646	4,081	565	13.84

The Group recorded revenue of RM14.532 million in the current quarter, which was RM1.570 million or 12.11% higher than the revenue of RM12.962 million recorded in the immediate preceding quarter. Both segments of the Group; precision engineering and laser stencils segments generated additional revenue of RM0.504 million and RM1.066 million respectively.

The Group recorded PBT of RM6.619 million in the current quarter as compared to RM5.899 million attained in the immediate preceding quarter. The hike in PBT of RM0.720 million was mainly attributable to increase in revenue.

B3 Commentary on Prospects

Despite the challenging market outlook in the semiconductor and electronics industries, the Board is positive about our prospect in the coming year, taking into consideration our Group's competitive strengths and strategies. Our Group will continue to uphold its core and long-term strategy to focus on business expansion and diversification, product development, as well as business process optimisation through lean implementation across all operations in the organisation.

B4 Profit Forecast

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

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019

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

B5 Tax Expense

	Individual Quarter		Cumulative Period	
	Current Quarter Ended	Corresponding Preceding Quarter Ended	Current Period-To-Date Ended	Corresponding Preceding Period-To-Date Ended
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Current tax	1,472	1,044	2,970	1,811
Deferred tax	(39)	(67)	(60)	91
	<u>1,433</u>	<u>977</u>	<u>2,910</u>	<u>1,902</u>

The effective tax rates of the Group for the current quarter and current period-to-date were lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by certain subsidiaries.

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

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.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2019**Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)****B10 Earnings Per Share ("EPS")**

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2019	Corresponding Preceding Quarter Ended 31.12.2018	Current Period-To-Date Ended 31.12.2019	Corresponding Preceding Period-To-Date Ended 31.12.2018
Profit attributable to owners of the Company (RM'000)	4,646	2,732	8,727	5,150
Weighted average number of shares for computing basic EPS ('000)	528,293	518,612	526,234	518,612
Basic EPS (sen)	<u>0.88</u>	<u>0.53</u>	<u>1.66</u>	<u>0.99</u>
Weighted average number of shares for computing diluted EPS ('000)	535,700	518,612	533,035	518,612
Diluted EPS (sen)	<u>0.87</u>	<u>0.53</u>	<u>1.64</u>	<u>0.99</u>

B11 Profit Before Tax

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2019 RM'000	Corresponding Preceding Quarter Ended 31.12.2018 RM'000	Current Period-To-Date Ended 31.12.2019 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2018 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation of deferred income	(249)	-	(269)	-
Depreciation of property, plant and equipment	1,111	742	2,210	1,395
Gain on disposal of property, plant and equipment	-	-	(62)	(3)
Impairment loss on receivables	-	-	-	100
Interest expense	5	-	10	-
Interest income	(333)	(284)	(597)	(553)
Inventories written down	77	-	77	-
Loss/(Gain) on foreign exchange:-				
- Realised	30	(130)	(83)	(242)
- Unrealised	(1)	157	32	32
Reversal of inventories written down	<u>(2)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>

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.