



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

**UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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 2020**

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 31.12.2020 RM'000	Corresponding Preceding Quarter Ended 31.12.2019 RM'000	Current Period-To-Date Ended 31.12.2020 RM'000	Corresponding Period-To-Date Ended 31.12.2019 RM'000
Revenue		11,626	14,532	24,066	27,494
Cost of goods sold		(6,595)	(6,338)	(13,321)	(12,111)
Gross profit		5,031	8,194	10,745	15,383
Impairment gains on financial assets		197	-	197	-
Interest income		215	333	456	597
Other income		60	256	190	463
Administrative and general expenses		(2,028)	(1,342)	(3,198)	(2,461)
Selling and distribution expenses		(671)	(817)	(1,444)	(1,454)
Finance costs		(2)	(5)	(5)	(10)
Profit before tax	B11	2,802	6,619	6,941	12,518
Tax expense	B5	(695)	(1,433)	(1,631)	(2,910)
Profit for the financial period		2,107	5,186	5,310	9,608
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		2,107	5,186	5,310	9,608
Profit for the financial period attributable to:-					
- Owners of the Company		2,011	4,646	5,085	8,727
- Non-controlling interests		96	540	225	881
		2,107	5,186	5,310	9,608
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		2,011	4,646	5,085	8,727
- Non-controlling interests		96	540	225	881
		2,107	5,186	5,310	9,608
Earnings per share:-	B10				
- Basic (sen)		0.37	0.88	0.94	1.66
- Diluted (sen)		0.37	0.87	0.94	1.64

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 2020 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2020

	As at 31.12.2020 (Unaudited) RM'000	As at 30.6.2020 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	17,119	15,934
Right-of-use assets	9,287	9,533
Intangible assets	15,081	12,647
Deferred tax assets	61	15
	<u>41,548</u>	<u>38,129</u>
CURRENT ASSETS		
Inventories	4,329	3,902
Receivables	9,047	14,468
Prepayments	194	310
Current tax assets	12	33
Cash and cash equivalents	55,455	51,136
	<u>69,037</u>	<u>69,849</u>
CURRENT LIABILITIES		
Payables	4,611	4,489
Lease liabilities	111	219
Contract liabilities	169	90
Current tax liabilities	347	715
	<u>5,238</u>	<u>5,513</u>
NET CURRENT ASSETS	63,799	64,336
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,369	2,435
Deferred income on government grants	609	729
	<u>2,978</u>	<u>3,164</u>
NET ASSETS	<u>102,369</u>	<u>99,301</u>
EQUITY		
Share capital	59,996	59,996
Revaluation surplus	1,852	1,852
Retained profits	36,539	34,166
Equity attributable to owners of the Company	<u>98,387</u>	<u>96,014</u>
Non-controlling interests	3,982	3,287
TOTAL EQUITY	<u>102,369</u>	<u>99,301</u>
Net assets per share attributable to owners of the Company (sen)	<u>18.14</u>	<u>17.70</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 2020 and the accompanying explanatory notes attached to this interim financial report.

FOUNDPAC GROUP BERHAD

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Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2020

	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 2020	59,996	-	1,852	34,166	96,014	3,287	99,301
Acquisition of subsidiaries	-	-	-	-	-	470	470
Dividend (representing total transactions with owners)	-	-	-	(2,712)	(2,712)	-	(2,712)
Profit (representing comprehensive income) for the financial period	-	-	-	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>
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>

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 2020 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 2020**

	Current Period-To-Date Ended 31.12.2020 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,941	12,518
Adjustments for:-		
Amortisation of deferred income	(120)	(269)
Depreciation	2,379	2,210
Gain on disposal of property, plant and equipment	(70)	(62)
Impairment gains on financial assets	(197)	-
Interest expense	5	10
Interest income	(456)	(597)
Inventories written down	13	77
Reversal of inventories written down	(26)	(8)
Share-based payments	-	117
Unrealised loss on foreign exchange	135	32
Operating profit before working capital changes	<u>8,604</u>	<u>14,028</u>
Changes in:-		
Inventories	1,019	(563)
Receivables	6,094	(2,930)
Prepayments	212	5,721
Payables	(1,553)	744
Contract liabilities	(698)	(12)
Cash generated from operations	<u>13,678</u>	<u>16,988</u>
Tax paid	(2,229)	(1,833)
Tax refunded	24	-
Net cash from operating activities	<u>11,473</u>	<u>15,155</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(31)	-
Acquisition of property, plant and equipment	(2,995)	(6,147)
Acquisition of right-of-use assets	-	(18)
Acquisition of subsidiaries, net of cash acquired	(1,676)	-
Grants received	-	783
Interest received	456	597
Proceeds from disposal of property, plant and equipment	72	67
Net cash used in investing activities	<u>(4,174)</u>	<u>(4,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(2,712)	-
Interest paid	(5)	(10)
Issue of shares	-	2,455
Payment of lease liabilities	(108)	(84)
Redemption of preference shares	(20)	-
Net cash (used in)/from financing activities	<u>(2,845)</u>	<u>2,361</u>
Effect of exchange rate changes on cash and cash equivalents	(135)	(32)
Net increase in cash and cash equivalents	4,319	12,766
Cash and cash equivalents brought forward	51,136	32,428
Cash and cash equivalents carried forward	<u>55,455</u>	<u>45,194</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	44,967	41,702
- Cash and bank balances	10,488	3,492
	<u>55,455</u>	<u>45,194</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 2020 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 2020

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 2020 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 2020 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 2021
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
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 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 2020

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

A2 Seasonality or Cyclicalality 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

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

A6 Dividends Paid

An interim single tier dividend of RM0.005 per share amounting to RM2,711,612 in respect of the financial year ending 30 June 2021 was paid by the Company on 28 December 2020.

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

Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2020**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 2020

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	Unallocated non-operating segments RM'000	Consolidations adjustments and eliminations RM'000	Total RM'000
<u>Financial period ended 31 December 2019</u>					
STATEMENT OF FINANCIAL POSITION					
Segment assets	54,856	26,566	73,976	(51,216)	104,182
Included in the measure of segment assets are:-					
- Additions to non-current assets	5,825	340	-	-	6,165
Segment liabilities	8,201	1,257	91	-	9,549
STATEMENT OF COMPREHENSIVE INCOME					
Segment profit	5,942	3,525	141	-	9,608
Included in the measure of segment profit are:-					
- External revenue	19,711	7,785	-	(2)	27,494
- Interest income	177	67	353	-	597
- Non-cash income	277	-	-	-	277
- Interest expense	-	10	-	-	10
- Depreciation	1,936	274	-	-	2,210
- Other non-cash expenses	192	10	24	-	226
- Tax expense	1,899	1,011	-	-	2,910

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2020**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 Period	
	Current Quarter Ended	Corresponding Preceding Quarter Ended	Current Period-To-Date Ended	Corresponding Preceding Period-To-Date Ended
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Malaysia	3,110	2,240	5,689	4,312
Other Asian countries	1,353	5,156	2,950	9,548
North America	3,923	5,111	8,752	9,731
Europe	3,114	2,025	5,608	3,891
Africa	126	-	1,067	-
Others	-	-	-	12
	<u>11,626</u>	<u>14,532</u>	<u>24,066</u>	<u>27,494</u>

A8 Contractual Commitments

	31.12.2020 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 2020.

A11 Material Events

There were no material events subsequent to 31 December 2020 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 2020

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 2020.

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 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 2020

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 Quarter Ended 31.12.2020 RM'000	Preceding Quarter Ended 31.12.2019 RM'000	Variance RM'000	%	Current Period-To-Date Ended 31.12.2020 RM'000	Preceding Period-To-Date Ended 31.12.2019 RM'000	Variance RM'000	%
Revenue	11,626	14,532	(2,906)	(20.00)	24,066	27,494	(3,428)	(12.47)
Profit before tax	2,802	6,619	(3,817)	(57.67)	6,941	12,518	(5,577)	(44.55)
Profit for the financial period	2,107	5,186	(3,079)	(59.37)	5,310	9,608	(4,298)	(44.73)
Profit attributable to owners of the Company	2,011	4,646	(2,635)	(56.72)	5,085	8,727	(3,642)	(41.73)

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded revenue of RM11.626 million and profit before tax ("PBT") of RM2.802 million respectively.

Decrease in revenue from RM14.532 million recorded in the corresponding preceding quarter ended 31 December 2019 ("Corresponding Preceding Quarter") to RM11.626 million recorded in the current quarter; representing a decrease by RM2.906 million or 20.00%, was mainly attributable to the lower revenue contribution in export sales from both precision engineering and laser stencil segments.

The export sales remained the main contributor to our Group's total revenue for the current quarter, which accounted for RM8.516 million or 73.25% of our Group's total revenue for the current quarter. Export sales recorded in the current quarter is lower by RM3.776 million or 30.72% as compared to RM12.292 million recorded in the Corresponding Preceding Quarter. This was mainly due to decrease in revenue generated from our customers in Other Asian countries by RM3.803 million.

Our Group recorded lower PBT at RM2.802 million for the current quarter, representing a decrease by RM3.817 million or 57.67% as compared to PBT of RM6.619 million recorded in the Corresponding Preceding Quarter. This was mainly due to decrease in gross profit margin as compared to the Corresponding Preceding Quarter. The gross profit margin decreased from 56.39% attained in the Corresponding Preceding Quarter to 43.27% recorded in the current quarter; representing a decrease by 13.11% as a result of decrease in revenue while fixed costs remained.

Current Cumulative Period vs Corresponding Preceding Cumulative Period

For the current financial period-to-date, the Group recorded total revenue of RM24.066 million and total PBT of RM6.941 million respectively.

The lower revenue for the current financial period-to-date, which representing a decrease of RM3.428 million or 12.47% as compared to revenue of RM27.494 million recorded in the corresponding preceding cumulative period ended 31 December 2019 ("Corresponding Preceding Cumulative Period"), was mainly attributable to the lower revenue contribution from both precision engineering and laser stencils segments.

Our Group recorded PBT of RM6.941 million for the current financial period-to-date, representing an decrease of RM5.577 million or 44.55% as compared to PBT of RM12.518 million recorded in Corresponding Preceding Cumulative Period. The decrease in PBT was mainly due to lower revenue contribution by both segments while fixed cost elements remained.

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 2020

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 31.12.2020 RM'000	Immediate Preceding Quarter Ended 30.9.2020 RM'000	Variance	
			RM'000	%
Revenue	11,626	12,440	(814)	(6.54)
Profit before tax	2,802	4,139	(1,337)	(32.30)
Profit for the financial period	2,107	3,203	(1,096)	(34.22)
Profit attributable to owners of the Company	2,011	3,074	(1,063)	(34.58)

The Group recorded revenue of RM11.626 million in the current quarter, which was lower by RM0.814 million or 6.54% than RM12.440 million recorded in the immediate preceding quarter.

The Group recorded PBT of RM2.802 million in the current quarter as compared to RM4.139 million attained in the immediate preceding quarter. Decrease in PBT by RM1.337 million or 32.30% was mainly due to decrease in sales coupled with fixed operating costs.

B3 Commentary on Prospects

The global economy has continued to be impacted by the Covid-19 pandemic. Against the pervasive uncertainty, the Board views that market outlook become more challenging but the Board is confident to weather the storm backed by our strong foundation built over the years. 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.

B5 Tax Expense

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2020 RM'000	Corresponding Preceding Quarter Ended 31.12.2019 RM'000	Current Period-To-Date Ended 31.12.2020 RM'000	Corresponding Period-To-Date Ended 31.12.2019 RM'000
Current tax	728	1,472	1,697	2,970
Deferred tax	(33)	(39)	(66)	(60)
	<u>695</u>	<u>1,433</u>	<u>1,631</u>	<u>2,910</u>

The effective tax rate of the Group was slightly higher than statutory corporate tax rate of 24% for the current quarter was mainly due to non-deductible expenses in certain subsidiaries.

Effective tax rates for corresponding preceding quarter, current period-to-date and corresponding preceding period-to-date were lower than statutory corporate tax rate of 24%. This was mainly due to tax incentive enjoyed by certain subsidiaries.

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Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2020

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

The Group's loans and borrowings as at end of the reporting period were as follows:-

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:-			
- Lease liabilities	111	-	111

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 Period	
	Current Quarter Ended 31.12.2020	Corresponding Preceding Quarter Ended 31.12.2019	Current Period-To-Date Ended 31.12.2020	Corresponding Period-To-Date Ended 31.12.2019
Profit attributable to owners of the Company (RM'000)	2,011	4,646	5,085	8,727
Weighted average number of shares for computing basic EPS ('000)	542,322	528,293	542,322	526,234
Basic EPS (sen)	0.37	0.88	0.94	1.66
Weighted average number of shares for computing diluted EPS ('000)	542,322	535,700	542,322	533,035
Diluted EPS (sen)	0.37	0.87	0.94	1.64

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Explanatory Notes to Condensed Consolidated Financial Statements - 31 December 2020

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

B11 Profit Before Tax

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 31.12.2020 RM'000	Corresponding Preceding Quarter Ended 31.12.2019 RM'000	Current Period-To-Date Ended 31.12.2020 RM'000	Corresponding Preceding Period-To-Date Ended 31.12.2019 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation of deferred income	(60)	(249)	(120)	(269)
Depreciation	1,223	1,111	2,379	2,210
Gain on disposal of property, plant and equipment	-	-	(70)	(62)
Impairment gains on financial assets	(197)	-	(197)	-
Interest expense for lease liabilities	2	5	5	10
Interest income	(215)	(333)	(456)	(597)
Inventories written down	13	77	13	77
Loss/(Gain) on foreign exchange:-				
- Realised	275	30	408	(83)
- Unrealised	120	(1)	135	32
Reversal of inventories written down	-	(2)	(26)	(8)
Short-term lease liabilities	55	2	80	2

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.