



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

**UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 2020**

	Note	Individual Quarter		Cumulative Period	
		Current Quarter Ended 30.9.2020 RM'000	Corresponding Preceding Quarter Ended 30.9.2019 RM'000	Current Period-To-Date Ended 30.9.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.9.2019 RM'000
Revenue		12,440	12,962	12,440	12,962
Cost of goods sold		(6,726)	(5,773)	(6,726)	(5,773)
Gross profit		<u>5,714</u>	<u>7,189</u>	<u>5,714</u>	<u>7,189</u>
Interest income		241	264	241	264
Other income		130	207	130	207
Administrative and general expenses		(1,170)	(1,119)	(1,170)	(1,119)
Selling and distribution expenses		(773)	(637)	(773)	(637)
Finance costs		(3)	(5)	(3)	(5)
Profit before tax	B11	<u>4,139</u>	<u>5,899</u>	<u>4,139</u>	<u>5,899</u>
Tax expense	B5	(936)	(1,477)	(936)	(1,477)
Profit for the financial period		<u>3,203</u>	<u>4,422</u>	<u>3,203</u>	<u>4,422</u>
Other comprehensive income for the financial period		-	-	-	-
Comprehensive income for the financial period		<u>3,203</u>	<u>4,422</u>	<u>3,203</u>	<u>4,422</u>
Profit for the financial period attributable to:-					
- Owners of the Company		3,074	4,081	3,074	4,081
- Non-controlling interests		129	341	129	341
		<u>3,203</u>	<u>4,422</u>	<u>3,203</u>	<u>4,422</u>
Comprehensive income for the financial period attributable to:-					
- Owners of the Company		3,074	4,081	3,074	4,081
- Non-controlling interests		129	341	129	341
		<u>3,203</u>	<u>4,422</u>	<u>3,203</u>	<u>4,422</u>
Earnings per share:-	B10				
- Basic (sen)		0.57	0.78	0.57	0.78
- Diluted (sen)		<u>0.57</u>	<u>0.78</u>	<u>0.57</u>	<u>0.78</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 2020 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 30 September 2020

	As at 30.9.2020 (Unaudited) RM'000	As at 30.6.2020 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	18,038	15,934
Right-of-use assets	9,410	9,533
Intangible assets	15,062	12,647
Deferred tax assets	61	15
	<u>42,571</u>	<u>38,129</u>
CURRENT ASSETS		
Inventories	4,935	3,902
Receivables	11,022	14,468
Prepayments	256	310
Current tax assets	12	33
Cash and cash equivalents	53,791	51,136
	<u>70,016</u>	<u>69,849</u>
CURRENT LIABILITIES		
Payables	5,127	4,489
Lease liabilities	165	219
Contract liabilities	557	90
Current tax liabilities	693	715
	<u>6,542</u>	<u>5,513</u>
NET CURRENT ASSETS	63,474	64,336
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,402	2,435
Deferred income on government grants	669	729
	<u>3,071</u>	<u>3,164</u>
NET ASSETS	<u>102,974</u>	<u>99,301</u>
EQUITY		
Share capital	59,996	59,996
Revaluation surplus	1,852	1,852
Retained profits	37,240	34,166
Equity attributable to owners of the Company	<u>99,088</u>	<u>96,014</u>
Non-controlling interests	3,886	3,287
TOTAL EQUITY	<u>102,974</u>	<u>99,301</u>
Net assets per share attributable to owners of the Company (sen)	<u>18.27</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

(Incorporated in Malaysia)

Registration No.: 201501040628 (1165946-H)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 September 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
Profit (representing comprehensive income) for the financial period	-	-	-	3,074	3,074	129	3,203
Balance as at 30 September 2020	<u>59,996</u>	<u>-</u>	<u>1,852</u>	<u>37,240</u>	<u>99,088</u>	<u>3,886</u>	<u>102,974</u>
Balance as at 1 July 2019	51,960	1,747	1,852	24,613	80,172	2,281	82,453
Share-based payments to Employees' Share Option Scheme (representing total transactions with owners)	378	(88)	-	-	290	-	290
Profit (representing comprehensive income) for the financial period	-	-	-	4,081	4,081	341	4,422
Balance as at 30 September 2019	<u>52,338</u>	<u>1,659</u>	<u>1,852</u>	<u>28,694</u>	<u>84,543</u>	<u>2,622</u>	<u>87,165</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 30 September 2020**

	Current Period-To-Date Ended 30.9.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.9.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,139	5,899
Adjustments for:-		
Amortisation of deferred income	(60)	(20)
Depreciation	1,156	1,099
Gain on disposal of property, plant and equipment	(70)	(62)
Interest expense	3	5
Interest income	(241)	(264)
Reversal of inventories written down	(26)	(6)
Unrealised loss on foreign exchange	15	33
Operating profit before working capital changes	<u>4,916</u>	<u>6,684</u>
Changes in:-		
Inventories	426	(292)
Receivables	3,922	(766)
Prepayments	150	5,775
Payables	(1,038)	380
Contract liabilities	(310)	14
Cash generated from operations	<u>8,066</u>	<u>11,795</u>
Tax paid	(1,155)	(927)
Tax refunded	24	-
Net cash from operating activities	<u>6,935</u>	<u>10,868</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,826)	(5,824)
Acquisition of right-of-use assets	-	(18)
Acquisition of subsidiaries, net of cash acquired	(1,676)	-
Interest received	241	264
Proceeds from disposal of property, plant and equipment	72	67
Net cash used in investing activities	<u>(4,189)</u>	<u>(5,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3)	(5)
Issue of shares	-	290
Payment of lease liabilities	(53)	(33)
Redemption of preference shares	(20)	-
Net cash (used in)/from financing activities	<u>(76)</u>	<u>252</u>
Effect of exchange rate changes on cash and cash equivalents	(15)	(33)
Net increase in cash and cash equivalents	2,655	5,576
Cash and cash equivalents brought forward	51,136	32,428
Cash and cash equivalents carried forward	<u>53,791</u>	<u>38,004</u>
Analysis of cash and cash equivalents:-		
- Highly liquid investments	47,323	34,312
- Cash and bank balances	6,468	3,692
	<u>53,791</u>	<u>38,004</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 - 30 September 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 16 <i>Covid-19 Related Rent Concessions</i>	1 June 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 initial application of the above MFRSs did not have any significant impacts on the interim financial report.

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 4 <i>Extension of the Temporary Exemption from Applying MFRS 9 (w.e.f. 17 August 2020)</i>	-
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 2022
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 - 30 September 2020

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

A2 Seasonality or Cyclicity of Operations

The business operations of the Group were not materially affected by any seasonal or cyclical factor.

A3 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A4 Significant Estimates and Changes in Estimates

There were no changes in estimates of amounts reported in prior interim period of current financial year or change in estimates of amounts reported in prior financial year.

A5 Debt and Equity Securities

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

A6 Dividends Paid

No dividend was paid during the current quarter under review.

A7 Segmental Information

Operating Segments

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

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

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 - 30 September 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 30 September 2020</u>						
STATEMENT OF FINANCIAL POSITION						
Segment assets	71,527	27,491	5,288	62,709	(54,428)	112,587
Included in the measure of segment assets are:-						
- Additions to non-current assets	2,821	5	-	-	-	2,826
Segment liabilities	6,097	1,118	2,227	171	-	9,613
STATEMENT OF COMPREHENSIVE INCOME						
Segment profit/(loss)	2,811	577	6	(191)	-	3,203
Included in the measure of segment profit/(loss) are:-						
- External revenue	8,779	2,647	1,014	-	-	12,440
- Interest income	163	30	1	47	-	241
- Non-cash income	86	-	-	-	-	86
- Interest expense	-	3	-	-	-	3
- Depreciation	996	153	7	-	-	1,156
- Other non-cash expenses	13	-	2	-	-	15
- Tax expense	752	182	2	-	-	936

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 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 30 September 2019</u>					
STATEMENT OF FINANCIAL POSITION					
Segment assets	50,668	24,093	71,726	(51,123)	95,364
Included in the measure of segment assets are:-					
- Additions to non-current assets	5,793	49	-	-	5,842
Segment liabilities	7,082	956	161	-	8,199
STATEMENT OF COMPREHENSIVE INCOME					
Segment profit	2,956	1,362	104	-	4,422
Included in the measure of segment profit are:-					
- External revenue	9,604	3,358	-	-	12,962
- Interest income	67	33	164	-	264
- Non-cash income	26	-	-	-	26
- Interest expense	-	5	-	-	5
- Depreciation	960	139	-	-	1,099
- Other non-cash expenses	33	-	-	-	33
- Tax expense	997	480	-	-	1,477

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 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
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,579	2,072	2,579	2,072
Other Asian countries	1,597	4,392	1,597	4,392
North America	4,829	4,620	4,829	4,620
Europe	2,494	1,866	2,494	1,866
Africa	941	-	941	-
Others	-	12	-	12
	<u>12,440</u>	<u>12,962</u>	<u>12,440</u>	<u>12,962</u>

A8 Contractual Commitments

	30.9.2020
	RM'000
Purchase of intangible assets	30
Purchase of property, plant and equipment	589
	<u>619</u>

A9 Changes in Composition

During the current quarter under review, the Group, through its wholly-owned subsidiary, FoundPac Capital Sdn. Bhd.:-

- Subscribed 165,000 ordinary shares representing 55% equity interest of the enlarged share capital of PLEA Sdn. Bhd. ("PLEA") for total cash consideration of RM412,500. PLEA is incorporated in Malaysia and principally engaged in the provision of Internet of Things solutions and technology; and
- Acquired 70% equity interest in Sin Yen Technologies Sdn. Bhd. ("SYT") for total cash consideration of RM2,800,000. SYT is incorporated in Malaysia and principally engaged in the manufacture of industrial equipment and machinery.

Accordingly, both PLEA and SYT became subsidiaries of the Group.

Save as disclosed above, there were no other 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.

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 2020

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

A11 Material Events

There were no material events subsequent to 30 September 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.

A13 Financial Instruments

Derivatives

There were no outstanding derivatives as at 30 September 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 use 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).

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 2020

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

A13 Financial Instruments (cont'd)

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 - 30 September 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				Cumulative Period			
	Current		Corresponding		Current		Corresponding	
	Quarter	Preceding			Period-To-Date	Preceding		
Ended	Quarter	Variance		Ended	Preceding	Variance		
30.9.2020	Ended	RM'000	%	30.9.2020	30.9.2019	RM'000	%	
RM'000	RM'000	RM'000		RM'000	RM'000	RM'000		
Revenue	12,440	12,962	(522)	(4.03)	12,440	12,962	(522)	(4.03)
Profit before tax	4,139	5,899	(1,760)	(29.84)	4,139	5,899	(1,760)	(29.84)
Profit for the financial period/year	3,203	4,422	(1,219)	(27.57)	3,203	4,422	(1,219)	(27.57)
Profit attributable to owners of the Company	3,074	4,081	(1,007)	(24.68)	3,074	4,081	(1,007)	(24.68)

Current Period vs Corresponding Preceding Period

For the current quarter, the Group recorded revenue of RM12.440 million and profit before tax ("PBT") of RM4.139 million respectively.

Decrease in revenue from RM12.962 million recorded in the corresponding preceding quarter ended 30 September 2019 ("Corresponding Preceding Quarter") to RM12.440 million recorded in the current quarter; representing a decrease by RM0.522 million or 4.03%, 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 RM9.861 million or 79.27% of our Group's total revenue for the current quarter. Export sales recorded in the current quarter is lower by RM1.029 million or 9.45% as compared to RM10.890 million recorded in the Corresponding Preceding Quarter. This was mainly due to decrease in revenue generated from our customers in Other Asian countries by RM2.795 million and partially offset against increase in revenue contributed by our customers in Europe by RM 0.628 million and emergence of new market segment in the current quarter under review; Africa by RM0.941 million.

Our Group recorded lower PBT at RM4.139 million for the current quarter, representing a decrease by RM1.760 million or 29.84% as compared to PBT of RM5.899 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 55.46% attained in the Corresponding Preceding Quarter to 45.93% recorded in the current quarter; representing a decrease by 9.53% as a result of sales of product mix.

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 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 30.9.2020 RM'000	Immediate Preceding Quarter Ended 30.6.2020 RM'000	Variance	
			RM'000	%
Revenue	12,440	12,415	25	0.20
Profit before tax	4,139	4,758	(619)	(13.01)
Profit for the financial period	3,203	4,292	(1,089)	(25.37)
Profit attributable to owners of the Company	3,074	4,215	(1,141)	(27.07)

The Group recorded revenue of RM12.440 million in the current quarter, which was marginally higher by RM0.025 million or 0.20% than RM12.415 million recorded in the immediate preceding quarter.

The Group recorded PBT of RM4.139 million in the current quarter as compared to RM4.758 million attained in the immediate preceding quarter. Decrease in PBT by RM0.619 million or 13.01% was mainly due to decrease in gross profit margin as a result of sales of product mix.

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 remained cautiously optimistic about our prospect in the coming year. 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 30.9.2020 RM'000	Corresponding Preceding Quarter Ended 30.9.2019 RM'000	Current Period-To-Date Ended 30.9.2020 RM'000	Corresponding Preceding Period-To-Date Ended 30.9.2019 RM'000
Current tax	969	1,498	969	1,498
Deferred tax	(33)	(21)	(33)	(21)
	<u>936</u>	<u>1,477</u>	<u>936</u>	<u>1,477</u>

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate of 24%. This was mainly due to tax incentive enjoyed by a subsidiary.

The effective tax rate of the Group for the corresponding preceding quarter was 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 - 30 September 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	165	-	165

B8 Changes in Material Litigation

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

B9 Dividend

A single tier interim dividend of 0.5 sen per share in respect of the financial year ending 30 June 2021 has been declared on 18 November 2020 and is to be paid on 28 December 2020 to depositors registered in the records of Depositors at the close of business on 8 December 2020. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as appropriation of retained profits in the quarter ending 31 December 2020.

B10 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative Period	
	Current Quarter Ended 30.9.2020	Corresponding Preceding Quarter Ended 30.9.2019	Current Period-To-Date Ended 30.9.2020	Corresponding Preceding Period-To-Date Ended 30.9.2019
Profit attributable to owners of the Company (RM'000)	3,074	4,081	3,074	4,081
Weighted average number of shares for computing basic EPS ('000)	542,323	520,125	542,323	520,125
Basic EPS (sen)	0.57	0.78	0.57	0.78
Weighted average number of shares for computing diluted EPS ('000)	542,323	525,831	542,323	525,831
Diluted EPS (sen)	0.57	0.78	0.57	0.78

FOUNDPAC GROUP BERHAD

(Incorporated in Malaysia)

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Explanatory Notes to Condensed Consolidated Financial Statements - 30 September 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 30.9.2020 RM'000	Corresponding Preceding Quarter Ended 30.9.2019 RM'000	Current Period-To-Date Ended 30.9.2020 RM'000	Corresponding Period-To-Date Ended 30.9.2019 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Amortisation of deferred income	(60)	(20)	(60)	(20)
Depreciation	1,156	1,099	1,156	1,099
Gain on disposal of property, plant and equipment	(70)	(62)	(70)	(62)
Interest expense for lease liabilities	3	5	3	5
Interest income	(241)	(264)	(241)	(264)
Loss/(Gain) on foreign exchange:-				
- Realised	133	(113)	133	(113)
- Unrealised	15	33	15	33
Reversal of inventories written down	(26)	(6)	(26)	(6)
Short-term lease expense	25	2	25	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.