



**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

	Note	Current quarter ended 31.12.2017 RM'000	Preceding year corresponding quarter ended 31.12.2016 RM'000	Current year-to-date ended 31.12.2017 RM'000	Preceding year corresponding year-to-date ended 31.12.2016 RM'000
Revenue	<b>B1</b>	33,414	22,172	115,960	82,465
Operating expenses		(32,643)	(21,291)	(111,072)	(79,221)
Other operating income		1,090	491	1,503	900
Profit from operations		1,861	1,372	6,391	4,144
Finance costs		(261)	(161)	(871)	(649)
Share of (Loss)/Profit in associated companies		(31)	(30)	(133)	17
<b>Profit before taxation</b>		1,569	1,181	5,387	3,512
Taxation	<b>B4</b>	(403)	77	(1,451)	(956)
<b>Profit for the period</b>		1,166	1,258	3,936	2,556
<b>Other comprehensive income :-</b>					
<u>Items that may be reclassified subsequently to profit or loss:-</u>					
- Fair value gain/(loss) on available-for-sale financial assets		(3)	(17)	24	(18)
<b>Other comprehensive income for the period</b>		(3)	(17)	24	(18)
		1,163	1,241	3,960	2,538
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		1,168	1,320	3,945	3,067
- Non-Controlling Interest		(2)	(62)	(9)	(511)
		1,166	1,258	3,936	2,556
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		1,165	1,303	3,969	3,049
- Non-Controlling Interest		(2)	(62)	(9)	(511)
		1,163	1,241	3,960	2,538
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B8</b>	2.14	2.42	7.22	5.62
(ii) Fully diluted		N/A	N/A	N/A	N/A

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 31.12.2017 RM'000 (unaudited)	As at end of financial year ended 31.12.2016 RM'000 (audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		39,478	37,418
Investment properties		14,170	13,980
Goodwill on consolidation		196	196
Investment in associates		540	581
Available-for-sales financial assets		301	277
		54,685	52,452
<b>Current Assets</b>			
Inventories		12,830	11,248
Trade and other receivables		33,413	21,934
Prepayments		2,601	1,549
Current tax assets		230	140
Cash and bank balances		4,571	6,325
		53,645	41,196
<b>TOTAL ASSETS</b>		108,330	93,648
<b>Non-Current Liabilities</b>			
Loans and borrowings - secured	<b>B5</b>	4,404	2,211
Deferred tax liabilities		3,262	3,760
		7,666	5,971
<b>Current Liabilities</b>			
Trade and other payables		10,610	6,553
Loans and borrowings - secured	<b>B5</b>	14,428	8,858
Current tax liabilities		109	163
		25,147	15,574
<b>TOTAL LIABILITIES</b>		32,813	21,545
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	54,620
Other reserves		20,147	17,443
Equity attributable to owner of the Company		75,486	72,063
Non-controlling interest		31	40
<b>TOTAL EQUITY</b>		75,517	72,103
<b>TOTAL LIABILITIES AND EQUITY</b>		108,330	93,648
Net assets per share attributable to owners of the Company (RM)		1.38	1.32

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Note	-----Attributable to Owners of the Company-----						TOTAL RM'000	Non- Controlling Interest RM'000	TOTAL EQUITY RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000			
<b>12 months ended 31 December 2016</b>									
Balance as at 1 January 2016	54,620	284	435	6,184	105	7,932	69,560	130	69,690
Reclassification adjustments on :-									
Derecognition of available-for-sale financial assets	-	-	-	-	(18)	-	(18)	-	(18)
Other comprehensive income for the financial year	-	-	-	-	(18)	-	(18)	-	(18)
Profit for the financial period	-	-	-	-	-	3,067	3,067	(90)	2,977
Total comprehensive income for the financial year	-	-	-	-	(18)	3,067	3,049	(90)	2,959
Dividend									
Owners of the Company	-	-	-	-	-	(546)	(546)	-	(546)
Total transactions with owners	-	-	-	-	-	(546)	(546)	-	(546)
Transfer of revaluation surplus	-	-	-	(442)	-	442	-	-	-
Balance as at 31 December 2016	54,620	284	435	5,742	87	10,895	72,063	40	72,103

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

(the figures have not been audited)

Note	-----Attributable to Owners of the Company-----							Non-Controlling Interest	TOTAL EQUITY
	-----Non-Distributable-----		Capital Redemption Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	TOTAL		
	Share Capital	Share Premium	Reserve	Reserve	Reserve	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 December 2017</b>									
Balance as at 1 January 2017	54,620	284	435	5,742	87	10,895	72,063	40	72,103
Reclassification adjustments on :-									
Fair value gain on available-for-sale financial assets	-	-	-	-	24	-	24	-	24
Other comprehensive income for the period	-	-	-	-	24	-	24	-	24
Profit for the period	-	-	-	-	-	3,945	3,945	(9)	3,936
Total comprehensive income for the period	-	-	-	-	24	3,945	3,969	(9)	3,960
Dividend									
Owners of the Company	-	-	-	-	-	(546)	(546)	-	(546)
Total transactions with owners	-	-	-	-	-	(546)	(546)	-	(546)
Transfer pursuant the Companies Act 2016	719	(284)	(435)	-	-	-	-	-	-
Note									
Transfer of revaluation surplus	-	-	-	(445)	-	445	-	-	-
Balance as at 31 December 2017	55,339	-	-	5,297	111	14,739	75,486	31	75,517

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(the figures have not been audited)

	Current year-to-date ended 31.12.2017 RM'000	Preceding year-to-date ended 31.12.2016 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	5,387	3,512
<u>Adjustments for non-cash flow items :-</u>		
Depreciation	3,249	2,971
Dividend income	(4)	(3)
(Gain) on changes in ownership of an associate	(91)	-
(Gain) on loss of control of subsidiary	-	(312)
(Gain) on disposal of property, plant and equipment	-	(15)
(Gain) on fair value adjustment of investment properties	(190)	-
Impairment loss on available-for-sale financial assets	-	8
Impairment loss on loans and receivables	692	1,535
Interest expense	871	649
Interest income	(31)	(43)
Inventories written down	168	75
Property, plant and equipment written-off	10	8
Reversal of impairment loss on loans and receivables	-	(5)
Reversal of inventories written down	(114)	(25)
Share of associate's (profit)/loss	133	(17)
Waiver of debts	-	(5)
<b>Operating profit before working capital changes</b>	<b>10,080</b>	<b>8,333</b>
<u>Changes in Working Capital :-</u>		
Inventories	(1,636)	(2,368)
Receivables and prepayments	(13,224)	(3,800)
Payables	4,057	1,291
Cash generated from/(used in) operations	(723)	3,456
Income tax refunded	178	531
Income tax paid	(2,272)	(1,627)
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,817)</b>	<b>2,360</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash outflow on loss of control of a subsidiary	-	(365)
Dividends received	4	3
Interest received	31	43
Proceeds from disposal of property, plant and equipment	-	15
Purchase of property, plant and equipment	(5,319)	(1,182)
<b>Net cash used in investing activities</b>	<b>(5,284)</b>	<b>(1,486)</b>

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(the figures have not been audited)

	Current year-to-date ended 31.12.2017 RM'000	Preceding year-to-date ended 31.12.2016 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(546)	(546)
Interest paid	(846)	(638)
Issuance of shares by a subsidiary	-	1,280
Net increase/(decrease) in short-term loans and borrowings	4,799	1,343
Proceeds from hire purchase loans	4,305	977
Repayment of hire purchase obligations	(1,058)	(477)
Repayment of short term loans	(309)	(758)
<b>Net cash from financing activities</b>	<b>6,345</b>	<b>1,181</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,756)</b>	<b>2,055</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>4,571</b>	<b>2,516</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>2,815</b>	<b>4,571</b>
<b>Note</b>		
	<b>B9</b>	

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

Notes to the Interim Financial Statements:-

**A. Explanatory Notes to the Interim Financial Statements as required by MFRS134**

**A1. Basis of preparation**

The interim financial statements of the Group for the year ended 31 December 2017 are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and paragraph 9.22 of Bursa Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of Master-Pack Group Berhad (“the Group”) for the year ended 31 December 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions so as to give a true and fair view of the state of affairs of the Group as of 31 December 2017 and of its results and cash flows for the period ended on that date.

**A2. Annual Audit Report**

The auditors’ report on the financial statements for the year ended 31 December 2016 was not qualified.

**A3. Changes in Accounting Policies and Method of Computation**

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2016.

All the MFRS that are effective for annual periods beginning on or after 1 January 2017, did not have any significant impact on the financial statements ended 31 December 2017.

**A4. Seasonality or cyclicity of operations**

The Group’s performance is not significantly affected by any seasonal or cyclical factor for the financial period under review.

**A5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows because of their nature, size, or incidence for the financial period under review.

**A6. Changes in estimates**

There were no material changes in the estimates for the financial period under review.

**A7. Issues, repurchases, and repayment of debt and equity securities**

There were no issuance and repayment of debts and equity securities.

**A8. Dividend**

There was no dividend paid during the quarter under review.

**A9. Segmental information**

The Group has two operating segments as follows:-

**a) Packaging Division**

Designing and manufacturing corrugated paper cartons as well as providing one-stop packaging solutions.



**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**b) Other Divisions**

Inactive companies and investment holding company.

In view that contribution from the other divisions is not significant, operating results from the other divisions are not segregated.

**A10. Events after reporting period**

There was no material event subsequent to the reporting period that has not been reflected in these financial statements.

**A11. Changes in the composition of the Group**

There was no business combinations, long term investment and restructuring or discontinuing operations during the financial period under review.

**A12. Changes in contingent liabilities or contingent assets**

There was no liability that the Group is contingently liable to since the last annual reporting date.

**A13. Recurrent Related Party Transactions**

As per announcement on 27<sup>th</sup> February and 3<sup>rd</sup> May 2017, Master-Pack Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into recurrent related party transactions with Excelfood Pack Sdn. Bhd. during the period as set out below:-

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Current year-to-date ended 31.12.2017 RM'000</b>
Transactions with related party	2,355	6,651

**B. Additional information required by the listing requirements of Bursa Malaysia Securities Berhad**

**B1 Performance Review of the Group**

**Commentary Comparison for the current quarter**

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Preceding year corresponding quarter ended 31.12.2016 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	33,414	22,172	+11,242	+50.7%
Profit before taxation	1,569	1,181	+388	+32.8%

**Current Quarter 2017 vs Corresponding Quarter 2016**

Revenue for this quarter is higher than corresponding quarter of 2016 by RM11.2million or 50.7%. The solar panel industry continue to lead, contributing 46.9% of total turnover for this quarter compared to 27.5% of preceding year's quarter. Other sectors that also contributed to the increase were from chemical industry, rubber industry and from the electrical and electronic industry.

As a result of the higher revenue, profit before tax has also improved. In addition, impairment on loss on loans and receivables is lower, as total impaired to-date is now adequate to cover those debts that are not recoverable.

	<b>Current year-to-date ended 31.12.2017 RM'000</b>	<b>Preceding year-to-date ended 31.12.2016 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	115,960	82,465	+33,495	+40.6%
Profit before taxation	5,387	3,512	+1,875	+53.4%

**Current year-to-date ended 31.12.2017 vs Preceding year-to-date ended 31.12.2016**

For the year ended 31.12.2017, revenue rose by 40.6% from RM82 million to RM116 million. Out the RM33 million increase, RM27 million or 82% was from the solar panel industry.

Profit before tax for the year was RM5.4 million up RM1.9 million with a slight improvement in margin from 4.3% to 4.6%. The higher volume contributed to the better results and impairment on loss on loans and receivables is lower by RM0.8 million. In addition insurance claim compensation of RM466 thousand received during the year for loss from a fire incident at one of its plants in 2017.

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Preceding quarter ended 30.09.2017 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	33,414	31,667	+1,747	+5.5%
Profit before taxation	1,569	1,303	+266	+20.4%

**Current Quarter vs Preceding Quarter**

The solar panel industry contributed 46.9% to total revenue of this quarter compared to 48.5% in the third quarter of 2017, with an increase of RM0.3 million. The balance RM1.4 million were from the food and beverage industry due to the festive season in quarter four of 2017. Profit before tax continue to improve with higher revenue. Included in profit before tax for this quarter is RM466 thousand being insurance claim compensation received from a fire that occurred in the second quarter and realised foreign exchange gain of RM200 thousand recognised in current quarter.

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**B2. Prospect 2018**

With new machinery in place and continued support from existing customers as well as efforts to bring in new customers, revenue for 2018 is expected to grow. While profitability is expected to be favorable, higher cost of raw materials and uncertain movement in foreign exchange rate will impact operational costs and ultimately the bottom line. Moreover, additional new cost related to labor, ie insurance and levy on foreign workers will also put a strain on getting better margins.

**B3. Variance of actual profit from forecast profit and shortfall in the profit guarantee**

Not applicable.

**B4. Taxation**

The taxation of the Group comprises:

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Current year-to-date ended 31.12.2017 RM'000</b>
Taxation		
- current year	(444)	(1,999)
- prior year	0	50
	<hr/>	<hr/>
	(444)	(1,949)
Deferred tax	41	498
	<hr/>	<hr/>
	<u>(403)</u>	<u>(1,451)</u>

The effective tax rate is high due to non-allowable expenses.

**B5. Group borrowings as at 31.12.2017**  
**Short term borrowings - Secured**

	<b>RM'000</b>
Bank overdrafts	1,756
Banker acceptances	10,936
Short-term loans due within one year	222
Hire-purchase obligations due within one year	1,514
	<hr/>
	<u>14,428</u>

**Long-term borrowings - Secured**

	<b>Due Within 1 to 2 years RM'000</b>	<b>Due Within 2 to 5 years RM'000</b>	<b>Total RM'000</b>
Long term loans	103	-	103
Hire-purchase obligations	1,377	2,924	4,301
	<hr/>	<hr/>	<hr/>
	<u>1,480</u>	<u>2,924</u>	<u>4,404</u>

The effective interest rates of loans and borrowings as at 31.12.2017 ranged from 4.51% to 8.35% per annum.

**B6. Litigation**

There is no material litigation at the date of this report.

**B7. Dividend Declared**

The Board of Directors did not declare any dividend for the financial period under review.

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the fourth quarter ended 31 December 2017

**B8. Earnings per Share  
Basic**

Basic earnings per share is calculated by dividing profit attributable to owners of the parent entity by the weighted average number of ordinary shares in issue during the period.

	<b>Current quarter ended 31.12.2017</b>	<b>Current year-to-date ended 31.12.2017</b>
Profit attributable to owners of the parent (RM'000)	1,168	3,945
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	2.14	7.22
Diluted	N/A	N/A

**B9. Cash and cash equivalents**

	<b>As at 31.12.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Term deposits (fixed rate)	500	-
Cash and bank balances	4,071	6,326
Bank overdrafts	(1,756)	(1,755)
	<u>2,815</u>	<u>4,571</u>

**B10. Profit Before Tax Items**

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Current year-to-date ended 31.12.2017 RM'000</b>
Depreciation	864	3,249
Gain on changes in ownership of an associate	(91)	(91)
Gain on fair value adjustment of investment properties	(190)	(190)
Foreign exchange gain	(58)	(233)
Impairment loss on loans and receivables	36	692
Interest expense	261	871
Interest income	21	(31)
Property, plant and equipment written off	4	10
Inventory written-down	168	168

Items which are not disclosed as per Listing Requirement Notes 16 Appendix 9B are not applicable to the group for the current period.

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**B11. Disclosure of realised and unrealised profits and losses**

	<b>Current quarter ended 31.12.2017 RM'000</b>	<b>Preceding year ended 31.12.2016 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	(15,647)	(18,975)
- Unrealised	1,415	867
	<hr/>	<hr/>
	(14,232)	(18,108)
Total share of retained profits from associates :		
- Realised	246	287
- Unrealised	-	-
	<hr/>	<hr/>
	(13,986)	(17,821)
Less : Consolidation adjustments	28,725	28,716
	<hr/>	<hr/>
Total Group retained profit	<hr/> <hr/>	<hr/> <hr/>
	14,739	10,895

By order of the Board  
Lee Peng Loon  
P'ng Chiew Keem

Secretaries

Penang  
Date: 27 February 2018