



**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

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**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

		Current quarter ended 31.03.2018 RM'000	Preceding year corresponding quarter ended 31.03.2017 RM'000	Current year-to-date ended 31.03.2018 RM'000	Preceding year corresponding year-to-date ended 31.03.2017 RM'000
Revenue	<b>B1</b>	33,851	22,174	33,851	22,174
Operating expenses		(32,539)	(21,161)	(32,539)	(21,161)
Other operating income		668	148	668	148
Profit from operations		1,980	1,161	1,980	1,161
Finance costs		(250)	(175)	(250)	(175)
Share of (Loss)/Profit in associated companies		2	(37)	2	(37)
<b>Profit before taxation</b>		1,732	949	1,732	949
Taxation	<b>B4</b>	(328)	(300)	(328)	(300)
<b>Profit for the period</b>		1,404	649	1,404	649
<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		(14)	23	(14)	23
<b>Other comprehensive income for the period</b>		(14)	23	(14)	23
		1,390	672	1,390	672
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		1,406	651	1,406	651
- Non-Controlling Interest		(2)	(2)	(2)	(2)
		1,404	649	1,404	649
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		1,392	674	1,392	674
- Non-Controlling Interest		(2)	(2)	(2)	(2)
		1,390	672	1,390	672
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B8</b>	2.57	1.19	2.57	1.19
(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 2017 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 31.03.2018 RM'000 (unaudited)	As at end of financial year ended 31.12.2017 RM'000 (audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		39,238	39,478
Investment properties		13,066	14,170
Goodwill on consolidation		196	196
Investment in associates		542	540
Available-for-sales financial assets		287	301
		53,329	54,685
<b>Current Assets</b>			
Inventories		12,326	12,830
Trade and other receivables		35,908	33,413
Prepayments		1,765	2,601
Current tax assets		155	230
Cash and bank balances		5,743	4,571
		55,897	53,645
<b>TOTAL ASSETS</b>		109,226	108,330
<b>Non-Current Liabilities</b>			
Loans and borrowings - secured	B5	4,094	4,404
Deferred tax liabilities		3,080	3,262
		7,174	7,666
<b>Current Liabilities</b>			
Trade and other payables		9,504	10,610
Loans and borrowings - secured	B5	15,435	14,428
Current tax liabilities		206	109
		25,145	25,147
<b>TOTAL LIABILITIES</b>		32,319	32,813
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		21,539	20,147
Equity attributable to owner of the Company		76,878	75,486
Non-controlling interest		29	31
<b>TOTAL EQUITY</b>		76,907	75,517
<b>TOTAL LIABILITIES AND EQUITY</b>		109,226	108,330
Net assets per share attributable to owners of the Company (RM)		1.41	1.38

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

Note	-----Attributable to Owners of the Company-----							Non-Controlling Interest	TOTAL EQUITY
	-----Non-Distributable-----				Fair Value Reserve	Retained Earnings	TOTAL		
	Share Capital	Share Premium	Capital Redemption Reserve	Revaluation Reserve					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31 March 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	-	-	-	-	23	-	23	-	23
Other comprehensive income for the period	-	-	-	-	23	-	23	-	23
Profit for the financial period	-	-	-	-	-	651	651	(2)	649
Total comprehensive income for the period	-	-	-	-	23	651	674	(2)	672
Transfer of revaluation surplus	-	-	-	(101)	-	101	-	-	-
Balance as at 31 March 2017	54,620	284	435	5,641	110	11,647	72,737	38	72,775

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**  
(the figures have not been audited)

-----Attributable to Owners of the Company-----

Note	Share Capital RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	TOTAL RM'000	Non- Controlling Interest RM'000	TOTAL EQUITY RM'000
<b>3 months ended 31 March 2018</b>							
Balance as at 1 January 2018	55,339	5,297	111	14,739	75,486	31	75,517
Reclassification adjustments on :-							
Fair value loss on available-for-sale financial assets	-	-	(14)	-	(14)	-	(14)
Other comprehensive income for the period	-	-	(14)	-	(14)	-	(14)
Profit for the period	-	-	-	1,406	1,406	(2)	1,404
Total comprehensive income for the period	-	-	(14)	1,406	1,392	(2)	1,390
Transfer of revaluation surplus	-	(113)	-	113	-	-	-
Balance as at 31 March 2018	55,339	5,184	97	16,258	76,878	29	76,907

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

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

	Current year-to-date ended 31.03.2018 RM'000	Preceding year-to-date ended 31.03.2017 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	1,732	949
<u>Adjustments for non-cash flow items :-</u>		
Allowance for slow moving inventories	-	42
Depreciation	883	769
Dividend income	(189)	(2)
(Gain) on disposal of investment properties	(419)	-
Impairment loss on loans and receivables	151	277
Interest expense	250	175
Interest income	(7)	(15)
Inventories written down	6	-
Property, plant and equipment written-off	-	1
Share of associate's (profit)/loss	(2)	37
	<b>2,405</b>	<b>2,233</b>
<u>Changes in Working Capital :-</u>		
Inventories	498	(148)
Receivables and prepayments	(1,810)	(1,298)
Payables	(1,106)	477
	(13)	1,264
Cash generated from/(used in) operations		
Income tax refunded	22	60
Income tax paid	(419)	(528)
	<b>(410)</b>	<b>796</b>
<b>Net cash generated from/(used in) operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	189	2
Interest received	7	15
Proceeds from disposal of investment properties	1,700	-
Purchase of property, plant and equipment	(760)	(389)
	<b>1,136</b>	<b>(372)</b>
<b>Net cash generated from / (used in) investing activities</b>		

**MASTER-PACK GROUP BERHAD (297020-W)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(the figures have not been audited)

	Note	Current year-to-date ended 31.03.2018 RM'000	Preceding year-to-date ended 31.03.2017 RM'000
Interest paid		(250)	(175)
Net increase/(decrease) in short-term loans and borrowings		(46)	2,176
Proceeds from hire purchase loans		251	-
Repayment of hire purchase obligations		(376)	(167)
Repayment of short term loans		(56)	(105)
<b>Net cash generated from / (used in) financing activities</b>		<b>(477)</b>	<b>1,729</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>249</b>	<b>2,153</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>		<b>2,815</b>	<b>4,571</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>B9</b>	<b>3,064</b>	<b>6,724</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

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 period ended 31 March 2018 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 2017. 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 March 2018 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 2017 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 2017 except for the newly-issued Malaysian Financial Reporting Standards (“MFRS”), to be applied for the financial period beginning on 1 January 2018:

- MFRS 15: Revenue from Contracts with Customers

The adoption of the above MFRS 15 did not have any material financial impact on these condensed consolidated financial statements.

- MFRS 9: Financial Instruments

For impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with the expected credit loss (“ECL”) model. The Group has applied MFRS 9 retrospectively on the initial application date of 1 January 2018 on trade receivables and has elected not to restate comparatives. The Group considers a trade receivable to be in default when payment are 180 days past due and also consider factors specific to the individual debtor who has defaulted in payment.

The movements in allowance for impairment based on the ECL model in MFRS 9 is as follows:-

	RM'000
Balance at 1 January 2018	3,334
Impairment loss recognised :-	
Retrospective adjustment	117
Recognised for the current quarter	34
	<hr/> 151
Impairment loss reversed	-
Impairment loss written off	-
Balance at 31 March 2018	<hr/> <hr/> 3,485



**MASTER-PACK GROUP BERHAD (297020-W)**  
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The age analysis of trade receivables after impairment is as follows:-

	Before impairment	Allowance for impairment	After impairment
	RM'000	RM'000	RM'000
Neither past due nor impaired	27,793	-	27,793
Past due :-			
- 1 to 30 days	4,720	(100)	4,620
- 31 to 120 days	3,302	-	3,302
- 121 days to 180 days	23	(15)	8
- more than 180 days	3,370	(3,370)	-
Balance at 31 March 2018	<u>39,208</u>	<u>(3,485)</u>	<u>35,723</u>

**A4. Seasonality or cyclical 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 were 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.

**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 is not segregated except for a one off gain of RM419,000 from the disposal of an investment property during the period under review.

**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.

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**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**

The recurrent related party transactions of revenue and trading nature approved in accordance with the shareholders' mandate on 24 May 2017 and transacted with the subsidiaries are set out below:-

	<b>Current quarter ended 31.03.2018 RM'000</b>	<b>Current year-to-date ended 31.03.2018 RM'000</b>
Transactions with related party	2,788	2,788

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

**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 31.03.2018 RM'000</b>	<b>Preceding year corresponding quarter ended 31.03.2017 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	33,851	22,174	+11,677	+52.7%
Profit before taxation	1,732	949	+783	+82.5%

**Current Quarter 2018 vs Corresponding Quarter 2017**

Revenue for the current quarter is RM11.7 million (52.7%) higher than corresponding quarter of preceding year. The higher revenue mainly derived from customers in the solar panel industry with higher delivery volume as well as higher selling prices from all customers compared to first quarter of 2017.

Included in Profit before taxation for the current quarter is RM0.4 million, being gain from disposal of an investment property. Disregarding that, profit before taxation is RM1.3 million, an increase of RM0.3 million due to the higher delivery and selling prices.

	<b>Current quarter ended 31.03.2018 RM'000</b>	<b>Preceding quarter ended 31.12.2017 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	33,851	33,414	+437	+1.3%
Profit before taxation	1,732	1,569	+163	+10.4%

**Current Quarter vs Preceding Quarter**

Revenue for the current quarter is 1.3% higher as compared to the preceding quarter. Profit before taxation margin is 3.9% after disregarding the one off gain from disposal of investment property. The drop in profit margin from 4.7% of preceding quarter to 3.9% this quarter is due to higher operating cost and additional impairment for receivables amounting to RM151,000 on adoption of MFRS9.

**B2. Prospect 2018**

The Group is on track with its continued growth in revenue with the introduction of new products to existing customers and bringing in new customers as well. Cost of raw materials continue to be a challenge to profitability. However, management is exploring new ways to manage its operating processes to improve overall productivity and thus combat the adverse effect of external impact that are beyond its control.

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

Not applicable.

**MASTER-PACK GROUP BERHAD (297020-W)**  
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**B4. Taxation**

The taxation of the Group comprises:

	<b>Current quarter ended 31.03.2018 RM'000</b>	<b>Current year-to-date ended 31.03.2018 RM'000</b>
Taxation		
- current year	(510)	(510)
Deferred tax	182	182
	<u>(328)</u>	<u>(328)</u>

The effective tax rate after disregarding the one off gain of RM419,000 from sale of an investment property is high due to non-allowable expenses. The one off gain of RM419,000 is net of Real Property Gains Tax at 5%.

**B5. Group borrowings as at 31.03.2018**  
**Short term borrowings - Secured**

	<b>RM'000</b>
Bank overdrafts	2,679
Banker acceptances	10,890
Short-term loans due within one year	269
Hire-purchase obligations due within one year	1,597
	<u>15,435</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>
Hire-purchase obligations	<u>1,372</u>	<u>2,722</u>	<u>4,094</u>

The effective interest rates of loans and borrowings as at 31.03.2018 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 has declared and paid an interim dividend of 1.5 sen amounting to RM819,302.25 on 8 May 2018 for the financial year ending 31 December 2018.

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2018

**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 31.03.2018</b>	<b>Current year-to-date ended 31.03.2018</b>
Profit attributable to owners of the parent (RM'000)	1,406	1,406
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	2.57	2.57
Diluted	N/A	N/A

**B9. Cash and cash equivalents**

	<b>As at 31.03.2018 RM'000</b>	<b>As at 31.03.2017 RM'000</b>
Term deposits (fixed rate)	500	-
Cash and bank balances	5,243	7,528
Bank overdrafts	(2,679)	(804)
	<hr/> <hr/> 3,064	<hr/> <hr/> 6,724

**B10. Profit Before Tax Items**

	<b>Current quarter ended 31.03.2018 RM'000</b>	<b>Current year-to-date ended 31.03.2018 RM'000</b>
Depreciation	883	883
Foreign exchange gain	(57)	(57)
Gain on disposal of investment properties	(419)	(419)
Impairment loss on loans and receivables	151	151
Interest expense	250	250
Interest income	(7)	(7)
Inventory written-down	6	6

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 31.03.2018 RM'000</b>	<b>Preceding year ended 31.03.2017 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	(14,314)	(18,322)
- Unrealised	1,597	1,000
	<hr/>	<hr/>
	(12,717)	(17,322)
Total share of retained profits from associates :		
- Realised	248	250
- Unrealised	-	-
	<hr/>	<hr/>
	(12,469)	(17,072)
Less : Consolidation adjustments	28,727	28,719
	<hr/>	<hr/>
Total Group retained profit	<u>16,258</u>	<u>11,647</u>

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

Secretaries

Penang  
Date: 14 May 2018