



QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

CONTENTS	PAGE(S)
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3 - 4
Condensed Consolidated Statement of Cash Flows	5 - 6
Explanatory Notes to the Interim Financial Statements as required by FRS 134	7 - 8
Additional information required by the Listing Requirements of Bursa Malaysia Security Berhad	9 -13

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(the figures have not been audited)

		Current quarter ended 31.12.2020 RM '000	Preceding year corresponding quarter ended 31.12.2019 RM '000	Current year-to-date ended 31.12.2020 RM '000	Preceding year corresponding year-to-date ended 31.12.2019 RM '000
Revenue	B1	34,191	51,047	141,866	204,607
Operating expenses		(30,510)	(47,876)	(130,255)	(186,853)
Other operating income		948	833	1,773	1,263
Profit from operations		4,629	4,004	13,384	19,017
Finance costs		(110)	(325)	(652)	(1,461)
Share of (Loss)/Profit in associated companies		18	22	61	66
Profit before taxation		4,537	3,701	12,793	17,622
Taxation	B4	(492)	(574)	(1,523)	(1,935)
Profit for the period		4,045	3,127	11,270	15,687
Other comprehensive income :-					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		(449)	(66)	(428)	77
Other comprehensive income for the period		(449)	(66)	(428)	77
		3,596	3,061	10,842	15,764
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		4,046	3,129	11,275	15,695
- Non-Controlling Interest		(1)	(2)	(5)	(8)
		4,045	3,127	11,270	15,687
Total comprehensive income/(loss) for the financial period attributable to:-					
- Owners of the Company		3,597	3,063	10,847	15,772
- Non-Controlling Interest		(1)	(2)	(5)	(8)
		3,596	3,061	10,842	15,764
Earnings per share (sen) :					
(i) Basic	B9	7.41	5.73	20.64	28.73
(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 2019 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at end of current quarter ended 31.12.2020 RM'000 (unaudited)	As at end of financial year ended 31.12.2019 RM'000 (audited)
Non-Current Assets			
Property, plant and equipment		35,723	35,702
Investment properties		15,145	14,825
Goodwill on consolidation		196	196
Investment in associates		606	545
Right-of-use assets		13,369	14,899
Available-for-sales financial assets		288	265
		65,327	66,432
Current Assets			
Inventories		11,803	12,572
Trade and other receivables		25,287	39,788
Prepayments		889	1,801
Current tax assets		584	109
Cash and bank balances	B10	37,988	22,915
		76,551	77,185
TOTAL ASSETS		141,878	143,617
Non-Current Liabilities			
Lease Liabilities	B6	1,211	3,346
Deferred tax liabilities		5,363	5,399
		6,574	8,745
Current Liabilities			
Trade and other payables		11,490	14,090
Loans and borrowings - secured	B5	7,182	12,389
Lease liabilities	B6	2,132	1,953
Dividend payable		1,092	0
Current tax liabilities		6	603
		21,902	29,035
TOTAL LIABILITIES		28,476	37,780
Equity			
Equity attributable to owners of the Company			
Share capital		55,339	55,339
Other reserves		58,053	50,483
		113,392	105,822
Equity attributable to owner of the Company		113,392	105,822
Non-controlling interest		10	15
		113,402	105,837
TOTAL EQUITY		113,402	105,837
TOTAL LIABILITIES AND EQUITY		141,878	143,617
Net assets per share attributable to owners of the Company (RM)		2.08	1.94

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)
for the fourth quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

-----Attributable to Owners of the Company-----
-----Non Distributable-----

Note	Share Capital RM'000	Legal Reserves RM'000	Revaluation Surplus RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	TOTAL RM'000	Non- Controlling Interest RM'000	TOTAL EQUITY RM'000
12 months ended 31 December 2019								
Balance as at 1 January 2019	55,339	-	15,590	(12)	20,225	91,142	23	91,165
Reclassification adjustments on :- Changes in currency translation				77	-	77	-	77
Profit for the financial period	-	-	-	-	15,695	15,695	(8)	15,687
Total comprehensive income for the period	-	-	-	77	15,695	15,772	(8)	15,764
Dividend Owners of the Company	-	-	-	-	(1,092)	(1,092)	-	(1,092)
Total transactions with owners	-	-	-	-	(1,092)	(1,092)	-	(1,092)
Transfer of legal reserves		1,014	-		(1,014)	-	-	-
Transfer of revaluation surplus		-	(620)		620	-	-	-
Balance as at 31 December 2019	55,339	1,014	14,970	65	34,434	105,822	15	105,837

MASTER-PACK GROUP BERHAD (297020-W)
for the fourth quarter ended 31 December 2020

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

(the figures have not been audited)

Note	-----Attributable to Owners of the Company-----					TOTAL RM'000	Non- Controlling Interest RM'000	TOTAL EQUITY RM'000
	Share Capital	Legal Reserves	Revaluation Surplus	Currency Translation Reserve	Retained Profits RM'000			
12 months ended 31 December 2020								
Balance as at 1 January 2020	55,339	1,014	14,970	65	34,434	105,822	15	105,837
Reclassification adjustments on :-								
Changes in currency translation	-	-	-	(428)	-	(428)	-	(428)
Profit for the period	-	-	-	-	11,275	11,275	(5)	11,270
Total comprehensive income for the period	-	-	-	(428)	11,275	10,847	(5)	10,842
Dividend								
Owners of the Company	-	-	-	-	(3,277)	(3,277)	-	(3,277)
Total transactions with owners	-	-	-	-	(3,277)	(3,277)	-	(3,277)
Transfer of legal reserves	-	1,067	-	-	(1,067)	-	-	-
Transfer of revaluation surplus	-	-	(630)	-	630	-	-	-
Balance as at 31 December 2020	55,339	2,081	14,340	(363)	41,995	113,392	10	113,402

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.12.2020 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2019 RM'000 (audited)
Note		
OPERATING ACTIVITIES		
Profit before taxation	12,793	17,622
Adjustments for non-cash flow items:-		
Compensation income	-	(130)
Depreciation	4,131	4,044
Dividend income	(4)	(7)
Fair value gains on investment properties	(320)	(155)
Fair value losses / (gains) on financial instruments	(22)	(17)
Gain on disposal of property, plant and equipment	(5)	(19)
Impairment gain on financial assets	(138)	(291)
Interest expense	652	1,461
Interest income	(360)	(92)
Inventories written down	240	471
Loss on derecognition of financial assets	10	-
Property, plant and equipment written off	-	6
Reversal of inventories written down	(85)	(270)
Share of associates' profit	(61)	(66)
Operating profit before working capital changes	16,831	22,557
Changes in :-		
Inventories	614	1,854
Receivables	14,629	(447)
Prepayments	912	(106)
Payables	(2,600)	(306)
Cash generated from operations	30,386	23,552
Tax paid	(2,633)	(2,679)
Tax refunded	2	857
Net cash from operating activities	27,755	21,730
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,623)	(839)
Acquisition of right-of-use assets	-	(2)
Dividends received	4	7
Interest received	360	92
Proceeds from disposal of property, plant and equipment	5	21
Net cash used in investing activities	(2,254)	(721)

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Current year-to-date ended 31.12.2020 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2019 RM'000 (audited)
Cash flows from financing activities			
Dividend paid		(2,185)	(1,092)
Interest paid		(708)	(1,408)
Net decrease in short-term loans and borrowings		(4,071)	(677)
Payment of lease liabilities		(1,956)	(1,972)
Repayment of term loan		-	(103)
Net cash used in financing activities		(8,920)	(5,252)
Currency translation differences		(428)	78
Net increase in cash and cash equivalents		16,153	15,835
Cash and cash equivalents brought forward		21,835	6,000
Cash and cash equivalents carried forward	B10	37,988	21,835

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

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 December 2020 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 2019. 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 2020 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 2019 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 2019. The Group has not applied the following MFRS which have been issued but are not yet effective :-

- MFRS 17 Insurance Contracts
- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above standard, IC interpretation and amendments is not expected to have any material effect on the financial performance or position of the Group.

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 except for the impact of the COVID-19 pandemic.

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.

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

A8. Dividend

There was no dividend paid in 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

Rental of properties, investment holding and an inactive company.

In view that contribution from the other divisions is not significant, operating results from the other divisions is 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 except that on 2 Feb 2021, the Group completed the disposal of all of its shares in an associate, Richmond Technology Sdn Bhd for RM600,000.

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.

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

B. Additional information required by the listing requirements of Bursa Malaysia Securities Berhad**B1 Performance Review of the Group****Current Quarter 2020 vs Corresponding Quarter 2019**

	Current quarter ended 31.12.2020 RM'000	Preceding year corresponding quarter ended 31.12.2019 RM'000	Changes	
			RM'000	%
Revenue	34,191	51,047	(16,856)	-33.0%
Profit before taxation	4,537	3,701	836	22.6%

The fourth quarter of 2020 saw a dip in revenue from RM51 million to RM34 million as compared to the last quarter of 2019. The drop was due to lower orders from customers who were affected by the consequences of lockdowns starting from March 2020 and dragging on over into year 2021.

However, Profit before Tax (PBT) was higher at RM4.5 million, an increase of 22.6% at an improved PBT margin of 13% compared to 7% for the fourth quarter of 2019. We attributed the improvement to vigorous cost down exercise taken by management to combat the impact of the COVID-19 pandemic.

Current Quarter 2020 vs Preceding Quarter

	Current quarter ended 31.12.2020 RM'000	Preceding quarter ended 30.09.2020 RM'000	Changes	
			RM'000	%
Revenue	34,191	33,578	613	1.8%
Profit before taxation	4,537	2,936	1,601	54.5%

As compared to the preceding quarter, revenue improved slightly by 1.8% and the improvement in PBT was due to cost down measures in the current quarter.

Current Year-to-date 2020 vs Preceding Year-to-date 2019

	Current YTD ended 31.12.2020 RM'000	Preceding YTD ended 31.12.2019 RM'000	Changes	
			RM'000	%
Revenue	141,866	204,607	(62,741)	-30.7%
Profit before taxation	12,793	17,622	(4,829)	-27.4%

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

YoY Revenue was RM62 million lower or 30.7%, from the cumulative result of the impact of the COVID-19 pandemic worldwide. The PBT was lowered by RM4.8 million or 27.4% reflecting lower sales turnover, a consequence of COVID-19 lockdowns.

B2. Prospect 2021

The COVID-19 Pandemic is still raging worldwide, with Malaysia not spared either with intermittent Movement Control Orders. However, the management is of the view that with its diversified customer base, business profitability levels can be sustained with strict cost control measures for the year 2021.

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

Not applicable.

B4. Taxation

The taxation of the Group comprises:

	Current quarter ended 31.12.2020 RM'000	Current year-to-date ended 31.12.2020 RM'000
Taxation		
- current year	(295)	(1,413)
- prior year	-	(146)
	<u>(295)</u>	<u>(1,559)</u>
Deferred tax		
- current year	(209)	24
- prior year	12	12
	<u>(492)</u>	<u>(1,523)</u>

The effective tax rate for the year is lower than the Malaysian income tax rate of 24% due to tax free status enjoyed by its foreign subsidiary.

B5. Group borrowings as at 31.12.2020**Short term borrowings - Secured**

	RM'000
Banker acceptances	<u>7,182</u>

The effective interest rates of loans and borrowings as at 31.12.2020 ranged from 2.91% to 4.97% per annum.

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

B6. Lease Liabilities as at 31.12.2020**Short term lease liabilities - Secured****RM'000**

Lease liabilities due within one year

2,132

Long-term lease liabilities - Secured

	Due Within 1 to 2 years RM'000	Due Within 2 to 5 years RM'000	Total RM'000
Lease liabilities	867	344	1,211

The effective interest rates of lease liabilities as at 31.12.2020 ranged from 5.27% to 6.82% per annum.

B7. Litigation

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

B8. Dividend Declared

The Board of Directors has declared a special dividend of 2 sen amounting to **RM1,092,403.00** on 28 December 2020 and paid on 5 February 2021 for the financial year ended 31 December 2020.

B9. 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.

	Current quarter ended 31.12.2020	Current year-to-date ended 31.12.2020
Profit attributable to owners of the parent (RM'000)	4,046	11,275
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	7.41	20.64
Diluted	N/A	N/A

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

B10. Cash and cash equivalents

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Term deposit (fixed rate)	4,475	-
Cash and bank balances	33,513	22,915
Bank overdrafts	-	(1,080)
	37,988	21,835

B11. Profit Before Tax Items

	quarter ended 31.12.2020 RM'000	year-to-date ended 31.12.2020 RM'000
Depreciation	1,043	4,131
Foreign exchange (gain)/loss	(93)	78
Gain on disposal of property, plant and equipment	-	(5)
Gain on fair value adjustment of investment propertie	(320)	(320)
Impairment gain on other investments	(39)	(22)
Impairment gain on financial assets	(165)	(138)
Interest expense	206	652
Interest income	(186)	(360)
Inventory written-down	226	240
Loss on derecognition of financial assets	10	10

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

MASTER-PACK GROUP BERHAD (297020-W)

for the fourth quarter ended 31 December 2020

B12. Disclosure of realised and unrealised profits and losses

	Current quarter ended 31.12.2020 RM'000	Preceding year ended 31.12.2019 RM'000
Master-Pack Group Berhad and its subsidiaries :		
- Realised	15,225	7,065
- Unrealised	733	898
	<hr/>	<hr/>
	15,958	7,963
Total share of retained profits from associates :		
- Realised	506	445
- Unrealised	-	-
	<hr/>	<hr/>
	16,464	8,408
Less : Consolidation adjustments	25,531	26,026
	<hr/>	<hr/>
Total Group retained profit	41,995	34,434
	<hr/> <hr/>	<hr/> <hr/>

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 11 March 2021