



## **QUARTERLY REPORT ON CONSOLIDATED RESULTS**

### **FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

		Current quarter ended 31.03.2021 RM '000	Preceding year corresponding quarter ended 31.03.2020 RM '000	Current year-to-date ended 31.03.2021 RM '000	Preceding year corresponding year-to-date ended 31.03.2020 RM '000
Revenue	<b>B1</b>	35,209	40,661	35,209	40,661
Operating expenses		(31,676)	(37,248)	(31,676)	(37,248)
Other operating income		501	176	501	176
Profit from operations		4,034	3,589	4,034	3,589
Finance costs		(121)	(223)	(121)	(223)
Share of (Loss)/Profit in associated companies		-	(8)	-	(8)
<b>Profit before taxation</b>		3,913	3,358	3,913	3,358
Taxation	<b>B4</b>	(654)	(317)	(654)	(317)
<b>Profit for the period</b>		3,259	3,041	3,259	3,041
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		526	229	526	229
<b>Other comprehensive income for the period</b>		526	229	526	229
		3,785	3,270	3,785	3,270
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		3,260	3,042	3,260	3,042
- Non-Controlling Interest		(1)	(1)	(1)	(1)
		3,259	3,041	3,259	3,041
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		3,786	3,271	3,786	3,271
- Non-Controlling Interest		(1)	(1)	(1)	(1)
		3,785	3,270	3,785	3,270
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	5.97	5.57	5.97	5.57
(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 2020 and the accompanying explanatory notes attached to the interim financial statements)

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 31.03.2021 RM'000 (unaudited)	As at end of financial year ended 31.12.2020 RM'000 (audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		35,255	35,723
Investment properties		15,145	15,145
Goodwill on consolidation		196	196
Investment in associates		0	606
Right-of-use assets		13,099	13,369
Available-for-sales financial assets		270	288
		63,965	65,327
<b>Current Assets</b>			
Inventories		15,632	11,803
Trade and other receivables		26,772	25,287
Prepayments		127	889
Current tax assets		523	584
Cash and bank balances	<b>B10</b>	35,673	37,988
		78,727	76,551
<b>TOTAL ASSETS</b>		142,692	141,878
<b>Non-Current Liabilities</b>			
Lease Liabilities	<b>B6</b>	1,115	1,211
Deferred tax liabilities		5,249	5,363
		6,364	6,574
<b>Current Liabilities</b>			
Trade and other payables		8,750	11,490
Loans and borrowings - secured	<b>B5</b>	8,328	7,182
Lease liabilities	<b>B6</b>	1,722	2,132
Dividend payable		0	1,092
Current tax liabilities		341	6
		19,141	21,902
<b>TOTAL LIABILITIES</b>		25,505	28,476
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		61,839	58,053
		117,178	113,392
Equity attributable to owner of the Company		117,178	113,392
Non-controlling interest		9	10
<b>TOTAL EQUITY</b>		117,187	113,402
<b>TOTAL LIABILITIES AND EQUITY</b>		142,692	141,878
Net assets per share attributable to owners of the Company (RM)		2.15	2.08

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Note	-----Attributable to Owners of the Company-----						Non-Controlling Interest RM'000	TOTAL EQUITY RM'000
	Share Capital RM'000	Legal Reserves RM'000	Revaluation Surplus RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	TOTAL RM'000		
<b>3 months ended 31 March 2020</b>								
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				229	-	229	-	229
Profit for the financial period	-	-	-	-	3,042	3,042	(1)	3,041
Total comprehensive income for the period	-	-	-	229	3,042	3,271	(1)	3,270
Dividend								
Owners of the Company	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Transfer of legal reserves		310	-		(310)	-	-	-
Transfer of revaluation surplus		-	(157)		157	-	-	-
Balance as at 31 March 2020	55,339	1,324	14,813	294	37,323	109,093	14	109,107

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

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

(the figures have not been audited)

Note	-----Attributable to Owners of the Company-----					Retained Profits RM'000	TOTAL RM'000	Non- Controlling Interest RM'000	TOTAL EQUITY RM'000
	Share Capital	Legal Reserves	Revaluation Surplus	Currency Translation Reserve	-----Non Distributable-----				
<b>3 months ended 31 March 2021</b>									
Balance as at 1 January 2021	55,339	2,081	14,340	(363)		41,995	113,392	10	113,402
Reclassification adjustments on :-									
Changes in currency translation	-	-	-	526		-	526	-	526
Profit for the period	-	-	-	-		3,260	3,260	(1)	3,259
Total comprehensive income for the period	-	-	-	526		3,260	3,786	(1)	3,785
Dividend									
Owners of the Company	-	-	-	-		-	-	-	-
Total transactions with owners	-	-	-	-		-	-	-	-
Transfer of legal reserves	-	282	-	-		(282)	-	-	-
Transfer of revaluation surplus	-	-	(156)	-		156	-	-	-
Balance as at 31 March 2021	55,339	2,363	14,184	163		45,129	117,178	9	117,187

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year-to-date ended 31.03.2021 RM'000 (unaudited)</b>	<b>Preceding year-to-date ended 31.12.2020 RM'000 (audited)</b>
<b>Note</b>		
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	3,913	12,793
Adjustments for non-cash flow items:-		
Depreciation	1,009	4,131
Dividend income	(3)	(4)
Fair value gains on investment properties	-	(320)
Fair value losses / (gains) on financial instruments	18	(22)
Loss on disposal of investment in an associate	6	-
Gain on disposal of property, plant and equipment	-	(5)
Impairment loss/(gain) on financial assets	18	(138)
Interest expense	121	652
Interest income	(125)	(360)
Inventories written down	6	240
Loss on derecognition of financial assets	-	10
Reversal of inventories written down	-	(85)
Share of profit of an associate	-	(61)
Operating profit before working capital changes	4,963	16,831
Changes in :-		
Inventories	(3,835)	614
Receivables	(1,503)	14,629
Prepayments	762	912
Payables	(2,740)	(2,600)
Cash (used in) / generated from operations	(2,353)	30,386
Tax paid	(372)	(2,633)
Tax refunded	-	2
Net cash (used in) / generated from operating activities	(2,725)	27,755
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(271)	(2,623)
Dividends received	3	4
Interest received	125	360
Proceeds from disposal of investment in an associate	600	-
Proceeds from disposal of property, plant and equipment	-	5
Net cash (used in) / generated from investing activities	457	(2,254)

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current year-to-date ended 31.03.2021 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2020 RM'000 (audited)
	Note	
<b>Cash flows from financing activities</b>		
Dividend paid	(1,092)	(2,185)
Interest paid	(121)	(708)
Net increase/(decrease) in short-term loans and borrowings	1,146	(4,071)
Payment of lease liabilities	(506)	(1,956)
Net cash used in financing activities	(573)	(8,920)
Currency translation differences	526	(428)
Net (decrease)/increase in cash and cash equivalents	(2,316)	16,153
Cash and cash equivalents brought forward	37,988	21,835
Cash and cash equivalents carried forward	B10 35,672	37,988

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

## **MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

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 2021 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 2020. 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 2021 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 2020 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 2020. 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 Reference to the Conceptual Framework
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRS Standards 2018 - 2020

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.

#### **A6. Changes in estimates**

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



**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

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

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

**A8. Dividend**

In the quarter under review, a special single tier dividend of 2 sen amounting to RM1,092,403 was paid on 5 February 2021 for the financial year ended 31 December 2020.

**A9. Segmental Information**

The Group has two operating segments as follows:-

**a) Packaging Division**

Designing and manufacturing corrugated paper cartons, wood packaging and distribution of packaging materials 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.

**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 except for the disposal of 20% shareholding of an associate company completed in January 2021.

**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 first quarter ended 31 March 2021

**B. Additional information required by the listing requirements of Bursa Malaysia Securities Berhad****B1 Performance Review of the Group****Current Quarter 2021 vs Corresponding Quarter 2020**

	<b>Current quarter ended 31.03.2021 RM'000</b>	<b>Preceding year corresponding quarter ended 31.03.2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	35,209	40,661	(5,452)	-13.4%
Profit before taxation	3,913	3,358	555	16.5%

Revenue for the first quarter 2021 at RM35.2 million is lower than that of 2020 quarter one i.e. down by RM5.5 million or -13.4%. The higher revenue in the first quarter of the preceding year was due to final deliveries to a major customer for a product that has since been discontinued. Deliveries to this customer for the new product has yet to pick up for first quarter of 2021. However, profit before taxation for this quarter is better compared to the same quarter of the preceding year due to lower operating cost.

**Current Quarter 2021 vs Preceding Quarter**

	<b>Current quarter ended 31.03.2021 RM'000</b>	<b>Preceding quarter ended 31.12.2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	35,209	34,191	1,018	3.0%
Profit before taxation	3,913	4,537	(624)	-13.8%

Revenue improved by RM1.0 million or 3.0% due to higher delivery to customers in the current quarter compared to the previous quarter. Profit dipped RM0.6 million, -13.8% against fourth quarter of 2020. Disruption in the global supply chain due to container shortages and increased in shipping cost resulted in higher cost of imported raw materials. Local suppliers also raised their selling prices.

**B2. Prospect 2021**

Orders are anticipated to increase as one of the major customer has completed its upgrading of a new product. So, revenue for 2021 is expected to improve over that of 2020. Profitability will be subject to new challenges as global businesses adjust and adapt to new norms with change in supply and demand behavior just as the COVID-19 virus keep evolving and impact all segments of the world population's livelihood, be it in health, lifestyle, leisure or work.

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

Not applicable.

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**B4. Taxation**

The taxation of the Group comprises:

	<b>Current quarter ended 31.03.2021 RM'000</b>	<b>Current year-to-date ended 31.03.2021 RM'000</b>
Taxation		
- current year	(768)	(768)
Deferred tax		
- current year	114	114
	<u>(654)</u>	<u>(654)</u>

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

**B5. Group borrowings as at 31.03.2021****Short term borrowings - Secured**

	<b>RM'000</b>
Banker acceptances	<u>8,328</u>

The effective interest rates of loans and borrowings as at 31.03.2021 ranged from 2.91% to 4.97% per annum.

**B6. Lease Liabilities as at 31.03.2021**

The effective interest rates of lease liabilities as at 31.03.2021 ranged from 5.27% to 6.82% per annum.

**Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	<u>1,722</u>

**Long-term lease liabilities - 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>
Lease liabilities	<u>1,113</u>	<u>2</u>	<u>1,115</u>

**B7. Litigation**

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

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**B8. Dividend Declared**

The Board of Directors has declared a single tier interim dividend of 2 sen amounting to RM1,092,403.00 on 1 April 2021 and paid on 10 May 2021 for the financial year ending 31 December 2021.

**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.

	<b>Current quarter ended 31.03.2021</b>	<b>Current year-to-date ended 31.03.2021</b>
Profit attributable to owners of the parent (RM'000)	3,260	3,260
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	5.97	5.97
Diluted	N/A	N/A

**B10. Cash and cash equivalents**

	<b>As at 31.03.2021 RM'000</b>	<b>As at 31.12.2020 RM'000</b>
Term deposit (fixed rate)	8,100	4,475
Cash and bank balances	27,573	33,513
	<hr/> <hr/>	<hr/> <hr/>
	35,673	37,988

**MASTER-PACK GROUP BERHAD (297020-W)**

for the first quarter ended 31 March 2021

**B11. Profit Before Tax Items**

	<b>Current quarter ended 31.03.2021 RM'000</b>	<b>Current year-to-date ended 31.03.2021 RM'000</b>
Depreciation	1,009	1,009
Foreign exchange loss	115	115
Loss on disposal of investment in an associate	6	6
Impairment loss on available for sale financial assets	18	18
Impairment loss on receivables	18	18
Interest expense	121	121
Interest income	(125)	(125)
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.

**B12. Disclosure of realised and unrealised profits and losses**

	<b>31.03.2021 RM'000</b>	<b>31.12.2020 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	18,799	15,226
- Unrealised	799	733
	19,598	15,959
Total share of retained profits from associates :		
- Realised	-	506
- Unrealised	-	-
	19,598	16,465
Less : Consolidation adjustments	25,531	25,531
Total Group retained profit	45,129	41,996

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 27 May 2021