



**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

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

for the fourth quarter ended 31 December 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

		Current quarter ended 31.12.2021 RM '000	Preceding year corresponding quarter ended 31.12.2020 RM '000	Current year-to-date ended 31.12.2021 RM '000	Preceding year corresponding year-to-date ended 31.12.2020 RM '000
Revenue	<b>B1</b>	41,549	34,191	153,977	141,866
Operating expenses		(37,574)	(30,510)	(137,443)	(130,255)
Other operating income		625	948	2,137	1,773
Profit from operations		4,600	4,629	18,671	13,384
Finance costs		(101)	(110)	(442)	(652)
Share of (Loss)/Profit in associated companies		-	18	-	61
<b>Profit before taxation</b>		4,499	4,537	18,229	12,793
Taxation	<b>B4</b>	(1,303)	(492)	(3,776)	(1,523)
<b>Profit for the period</b>		3,196	4,045	14,453	11,270
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		(270)	(449)	725	(428)
<b>Other comprehensive income for the period</b>		(270)	(449)	725	(428)
		2,926	3,596	15,178	10,842
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		3,197	4,046	14,456	11,275
- Non-Controlling Interest		(1)	(1)	(3)	(5)
		3,196	4,045	14,453	11,270
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		2,927	3,597	15,181	10,847
- Non-Controlling Interest		(1)	(1)	(3)	(5)
		2,926	3,596	15,178	10,842
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	5.85	7.41	26.47	20.64
(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 fourth quarter ended 31 December 2021

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 31.12.2021 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		35,955	35,723
Investment properties		14,640	15,145
Goodwill on consolidation		196	196
Investment in associates		-	606
Right-of-use assets		12,324	13,370
Available-for-sales financial assets		265	287
		63,380	65,327
<b>Current Assets</b>			
Inventories		17,377	11,803
Trade and other receivables		30,250	25,287
Prepayments		2,445	889
Current tax assets		312	584
Cash and bank balances	<b>B10</b>	44,318	37,988
		94,702	76,551
<b>TOTAL ASSETS</b>		158,082	141,878
<b>Non-Current Liabilities</b>			
Lease Liabilities	<b>B6</b>	1,517	1,211
Deferred tax liabilities		5,195	5,363
		6,712	6,574
<b>Current Liabilities</b>			
Trade and other payables		17,100	11,490
Loans and borrowings - secured	<b>B5</b>	5,674	7,182
Lease liabilities	<b>B6</b>	1,457	2,132
Dividend payable		-	1,092
Current tax liabilities		744	6
		24,975	21,902
<b>TOTAL LIABILITIES</b>		31,687	28,476
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		71,049	58,053
		126,388	113,392
Equity attributable to owner of the Company		126,388	113,392
Non-controlling interest		7	10
<b>TOTAL EQUITY</b>		126,395	113,402
<b>TOTAL LIABILITIES AND EQUITY</b>		158,082	141,878
Net assets per share attributable to owners of the Company (RM)		2.31	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 fourth quarter ended 31 December 2021

-----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
<b>12 months ended 31 December 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				(428)	-	(428)	-	(428)
Profit for the financial 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

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

**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			
<b>12 months ended 31 December 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	-	-	-	725	-	725	-	725
Profit for the period	-	-	-	-	14,456	14,456	(3)	14,453
Total comprehensive income for the period	-	-	-	725	14,456	15,181	(3)	15,178
Dividend								
Owners of the Company	-	-	-	-	(2,185)	(2,185)	-	(2,185)
Total transactions with owners	-	-	-	-	(2,185)	(2,185)	-	(2,185)
Transfer of legal reserves	-	1,200	-	-	(1,200)	-	-	-
Transfer of revaluation surplus	-	-	(619)	-	619	-	-	-
Balance as at 31 December 2021	55,339	3,281	13,721	362	53,685	126,388	7	126,395

**(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 fourth quarter ended 31 December 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current year-to-date ended 31.12.2021 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2020 RM'000 (audited)
	Note	
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	18,229	12,793
Adjustments for non-cash flow items:-		
Depreciation	4,047	4,131
Dividend income	(5)	(4)
Fair value gains on investment properties	-	(320)
Fair value gains on financial instruments	(35)	(22)
Loss on disposal of investment in an associate	6	-
Loss on disposal of investment in a subsidiary	99	-
Gain on disposal of property, plant and equipment	(20)	(5)
Impairment loss/(gain) on financial assets	58	(138)
Interest expense	442	652
Interest income	(604)	(360)
Inventories written down	85	240
Loss on derecognition of financial assets	28	10
Reversal of inventories written down	-	(85)
Share of associates' profit	-	(61)
Operating profit before working capital changes	22,330	16,831
Changes in :-		
Inventories	(5,659)	614
Receivables	(5,052)	14,629
Prepayments	(1,556)	912
Payables	5,612	(2,600)
Cash generated from operations	15,675	30,386
Tax paid	(2,910)	(2,633)
Tax refunded	-	2
Net cash from operating activities	12,765	27,755
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,694)	(2,626)
Acquisition of right-of-use assets	(30)	-
Dividends received	5	4
Interest received	604	360
Proceeds from disposal of investment in an associate	600	-
Proceeds from disposal of investment in a subsidiary	380	-
Proceeds from disposal of property, plant and equipment	20	5
Proceeds from disposal of other investment	57	-
Net cash used in investing activities	(58)	(2,257)

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

for the fourth quarter ended 31 December 2021

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current</b>	<b>Preceding</b>
	<b>year-to-date ended</b>	<b>year-to-date ended</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(3,277)	(2,185)
Interest paid	(449)	(708)
Net decrease in short-term loans and borrowings	(1,501)	(4,071)
Payment of lease liabilities	(1,870)	(1,956)
Net cash used in financing activities	(7,097)	(8,920)
Currency translation differences	720	(425)
Net increase in cash and cash equivalents	6,330	16,153
Cash and cash equivalents brought forward	37,988	21,835
Cash and cash equivalents carried forward	<b>B10</b> 44,318	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 fourth quarter ended 31 December 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 December 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 December 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 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 2021

**A8. Dividend**

A second interim dividend of 2 sen amounting to RM1,092,403 was paid on 21 December 2021 for the financial year ended 31 December 2021.

**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.

**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.

**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 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 31.12.2021 RM'000</b>	<b>Preceding year corresponding quarter ended 31.12.2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,549	34,191	7,358	21.5%
Profit before taxation	4,499	4,537	(38)	-0.8%

Revenue for the fourth of the year 2021 is RM7.4 million or 21.5 % higher than the same quarter of preceding year. This is because many customers were not in full operation last year due to COVID-19 movement control order (MCO) restrictions. However, profit before taxation was affected from the increase in cost of materials and other operating expenses.

**Current Quarter 2021 vs Preceding Quarter**

	<b>Current quarter ended 31.12.2021 RM'000</b>	<b>Preceding quarter ended 30.09.2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,549	38,927	2,622	6.7%
Profit before taxation	4,499	4,502	(3)	-0.1%

Compared to the preceding quarter, revenue increased by RM2.6 million or 6.7% while profit before taxation decreased slightly by 0.1%. The easing of MCO restrictions in quarter 4, 2021 saw higher demand for packaging materials from customers as certain customers increased their production in preparation for the festive months of December 2021 and first quarter of 2022.

**Current Year-to-date 2021 vs Preceding Year-to-date 2020**

	<b>Current YTD ended 31.12.2021 RM'000</b>	<b>Preceding YTD ended 31.12.2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	153,977	141,866	12,111	8.5%
Profit before taxation	18,229	12,793	5,436	42.5%

Revenue for the whole year of 2021 is RM12.1 million or 8.5% higher than the previous year. This is due to higher deliveries. Profit before taxation (PBT) improved by RM5.4 million or 42.5%. The significantly higher PBT this year compared to preceding year is due to the MCO restrictions in 2020 were more severe resulting in lower optimum production output and overall efficiencies.

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**B2. Prospect 2022**

While many governments around the world are easing travel restrictions with the Malaysian government anticipating doing the same, to improve the economy, the management is of the view that there are still a lot of obstacles to overcome such as inflationary pressures and disruption to the supply chain. While the Group has not encountered shortages of workers during the last two years, the employment of additional local production workforce to replace foreign workforce who have finish their contracts is a challenge. The management is mindful the labor shortages experienced by other industrial sectors may also affect the Group. Nevertheless, for the year 2022, the Group will continue to monitor and manage all costs.

**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 31.12.2021 RM'000</b>	<b>Current year-to-date ended 31.12.2021 RM'000</b>
Taxation		
- current year	(1,102)	(3,824)
- prior year	(67)	(93)
	<u>(1,169)</u>	<u>(3,917)</u>
Deferred tax		
- current year	(138)	137
- prior year	4	4
	<u>(1,303)</u>	<u>(3,776)</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 31.12.2021****Short term borrowings - Secured**

	<b>RM'000</b>
Banker acceptances	<u>5,674</u>

The effective interest rates of loans and borrowings as at 31.12.2021 ranged from 1.77% to 3.47% per annum.

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for the fourth quarter ended 31 December 2021

**B6. Lease Liabilities as at 31.12.2021****Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	1,457

**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	943	574	1,517

The effective interest rates of lease liabilities as at 31.12.2021 ranged from 5.64% to 6.32% 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 second interim dividend of 2 sen amounting to RM1,092,403 on 19 November 2021 and paid on 21 December 2021 for the financial year ended 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 31.12.2021</b>	<b>Current year-to-date ended 31.12.2021</b>
Profit attributable to owners of the parent (RM'000)	3,197	14,456
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	5.85	26.47
Diluted	N/A	N/A

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

for the fourth quarter ended 31 December 2021

**B10. Cash and cash equivalents**

	<b>As at 31.12.2021 RM'000</b>	<b>As at 31.12.2020 RM'000</b>
Highly liquid investments	8,096	7,966
Term deposit (fixed rate)	13,650	7,830
Cash and bank balances	22,572	22,192
	44,318	37,988
	44,318	37,988

**B11. Profit Before Tax Items**

	<b>Current quarter ended 31.12.2021 RM'000</b>	<b>Current year-to-date ended 31.12.2021 RM'000</b>
Depreciation	965	4,047
Foreign exchange loss	0	220
Loss on disposal of investment in associates	-	6
Loss on disposal of investment in subsidiary	-	99
Gain on disposal of property, plant and equipment	-	(20)
Impairment gain on other investments	(38)	(35)
Impairment loss on financial assets	13	58
Interest expense	101	442
Interest income	(211)	(604)
Inventory written-down	67	85
Loss on derecognition of financial assets and receivables	28	28

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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for the fourth quarter ended 31 December 2021

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

	<b>Current quarter ended 31.12.2021 RM'000</b>	<b>Preceding year ended 31.12.2020 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	28,091	15,225
- Unrealised	691	733
	28,782	15,958
Total share of retained profits from associates :		
- Realised	-	506
- Unrealised	-	-
	28,782	16,464
Less : Consolidation adjustments	24,903	25,531
Total Group retained profit	53,685	41,995

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 25 February 2022