



## **QUARTERLY REPORT ON CONSOLIDATED RESULTS**

### **FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

<b>CONTENTS</b>	<b>PAGE(S)</b>
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 -12

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

for the first quarter ended 31 March 2022

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

		Current quarter ended 31.03.2022 RM '000	Preceding year corresponding quarter ended 31.03.2021 RM '000	Current year-to-date ended 31.03.2022 RM '000	Preceding year corresponding year-to-date ended 31.03.2021 RM '000
Revenue	<b>B1</b>	36,888	35,209	36,888	35,209
Operating expenses		(32,476)	(31,676)	(32,476)	(31,676)
Other operating income		683	501	683	501
Profit from operations		5,095	4,034	5,095	4,034
Finance costs		(119)	(121)	(119)	(121)
<b>Profit before taxation</b>		4,976	3,913	4,976	3,913
Taxation	<b>B4</b>	(390)	(654)	(390)	(654)
<b>Profit for the period</b>		4,586	3,259	4,586	3,259
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		261	526	261	526
<b>Other comprehensive income for the period</b>		261	526	261	526
		4,847	3,785	4,847	3,785
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		4,587	3,260	4,587	3,260
- Non-Controlling Interest		(1)	(1)	(1)	(1)
		4,586	3,259	4,586	3,259
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		4,848	3,786	4,848	3,786
- Non-Controlling Interest		(1)	(1)	(1)	(1)
		4,847	3,785	4,847	3,785
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	8.40	5.97	8.40	5.97
(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 2021 and the accompanying explanatory notes attached to the interim financial statements)

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

for the first quarter ended 31 March 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 31.03.2022 RM'000 (unaudited)	As at end of financial year ended 31.12.2021 RM'000 (audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		35,488	35,955
Investment properties		14,640	14,640
Right -of-use assets		11,964	12,324
Goodwill on consolidation		196	196
Other investments		284	265
		62,572	63,380
<b>Current Assets</b>			
Inventories		17,980	17,377
Trade and other receivables		25,464	30,250
Prepayments		298	2,445
Current tax assets		223	312
Cash and bank balances	B10	48,969	44,318
		92,934	94,702
<b>TOTAL ASSETS</b>		155,506	158,082
<b>Non-Current Liabilities</b>			
Lease Liabilities	B6	1,245	1,517
Deferred tax liabilities		5,097	5,195
		6,342	6,712
<b>Current Liabilities</b>			
Trade and other payables		10,051	17,100
Loans and borrowings - secured	B5	6,329	5,674
Lease liabilities	B6	1,243	1,457
Current tax liabilities		299	744
		17,922	24,975
<b>TOTAL LIABILITIES</b>		24,264	31,687
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		75,897	71,049
		131,236	126,388
Equity attributable to owner of the Company		131,236	126,388
Non-controlling interest		6	7
<b>TOTAL EQUITY</b>		131,242	126,395
<b>TOTAL LIABILITIES AND EQUITY</b>		155,506	158,082
Net assets per share attributable to owners of the Company (RM)		2.40	2.31

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)**

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the first quarter ended 31 March 2022

**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	Legal Reserves RM'000	Revaluation Surplus RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000			
<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 financial 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

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

for the first quarter ended 31 March 2022

**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 2022</b>									
Balance as at 1 January 2022	55,339	3,281	13,721	362		53,685	126,388	7	126,395
Reclassification adjustments on :-									
Changes in currency translation	-	-	-	261		-	261	-	261
Profit for the period	-	-	-	-		4,587	4,587	(1)	4,586
Total comprehensive income for the period	-	-	-	261		4,587	4,848	(1)	4,847
Dividend									
Owners of the Company	-	-	-	-		-	-	-	-
Total transactions with owners	-	-	-	-		-	-	-	-
Transfer of legal reserves	-	386	-	-		(386)	-	-	-
Transfer of revaluation surplus	-	-	(154)	-		154	-	-	-
Balance as at 31 March 2022	55,339	3,667	13,567	623		58,040	131,236	6	131,242

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)

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

for the first quarter ended 31 March 2022

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year-to-date ended 31.03.2022 RM'000 (unaudited)</b>	<b>Preceding year-to-date ended 31.12.2021 RM'000 (audited)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	4,976	18,229
Adjustments for non-cash flow items:-		
Depreciation	995	4,047
Dividend income	(3)	(5)
Fair value gains on financial instruments	(19)	(35)
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)
Impairment loss on financial assets	39	58
Interest expense	119	442
Interest income	(187)	(604)
Inventories written down	6	85
Loss on derecognition of financial assets	-	28
Operating profit before working capital changes	5,926	22,330
Changes in :-		
Inventories	(609)	(5,659)
Receivables	4,747	(5,052)
Prepayments	2,147	(1,556)
Payables	(7,049)	5,612
Cash generated from operations	5,162	15,675
Tax paid	(843)	(2,910)
Net cash generated from operating activities	4,319	12,765
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(167)	(1,724)
Dividends received	3	5
Interest received	187	604
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
Proceeds from disposal of other investment	-	57
Net cash generated from/(used in) investing activities	23	(58)

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

for the first quarter ended 31 March 2022

**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>31.03.2022</b>	<b>31.12.2021</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)
Interest paid	(119)	(449)
Net increase/(decrease) in short-term loans and borrowings	655	(1,501)
Payment of lease liabilities	(486)	(1,870)
Net cash generated from/(used in) financing activities	50	(7,097)
Currency translation differences	259	720
Net increase in cash and cash equivalents	4,651	6,330
Cash and cash equivalents brought forward	44,318	37,988
Cash and cash equivalents carried forward	48,969	44,318

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)

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

for the first quarter ended 31 March 2022

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 2022 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 2021. 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 2022 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 2021 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 2021 except for the adoption of the following MFRS :-

- Amendments to MFRS 3 Reference to the Conceptual Framework
- 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 initial application of the above MFRSs is either not relevant or did not have any significant impacts on the financial statements.

The Group has not applied the following MFRS which have been issued but are not yet effective at the end of the reporting period:-

- MFRS 17 Insurance Contracts
- 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 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above standards and amendments is either not relevant or 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.



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

for the first quarter ended 31 March 2022

**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**

The Board of Directors declared a first interim dividend of 4 sen amounting to RM2,184,806 on 21 March 2022 and paid on 25 April 2022 for the financial year ending 31 December 2022.

**A9. Segmental Information**

The Group has two operating segments as follows:-

**a) Packaging Division**

Designing and manufacturing corrugated paper cartons, wooden packaging 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 first quarter ended 31 March 2022

**B. Additional information required by the listing requirements of Bursa Malaysia Securities Berhad****B1 Performance Review of the Group****Current Quarter 2022 vs Corresponding Quarter 2021**

	<b>Current quarter ended 31.03.2022 RM'000</b>	<b>Preceding year corresponding quarter ended 31.03.2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	36,888	35,209	1,679	4.8%
Profit before taxation	4,976	3,913	1,063	27.2%

Revenue for this quarter is higher by RM1.7 million or 4.8% compared to the corresponding quarter of the preceding year. This was due to higher orders from existing customers. Profit before taxation improved by RM1.1 million or 27.2% due to the composition of sales delivered in the current period were with better margins as compared to the corresponding quarter of the preceding year.

**Current Quarter 2022 vs Preceding Quarter 2021**

	<b>Current quarter ended 31.03.2022 RM'000</b>	<b>Preceding quarter ended 31.12.2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	36,888	41,549	(4,661)	-11.2%
Profit before taxation	4,976	4,499	477	10.6%

Compared to the preceding quarter, revenue dropped to RM36.9 million, a decrease of RM4.7 million or 11.2%. The lower revenue was due to a slight drop in deliveries in tandem with a major customer's model changeover. However, the Group manage to maintain profit before taxation at RM5 million due to a higher average selling price achieved from the composite sales delivered to customers.

**B2. Prospect 2022**

The challenges the Group faces for this year are elevated raw material prices, the implementation of the minimum wage to RM1,500 per month and rising operational costs arising from a weak ringgit and global economic situation. All these will put pressure on the profit margins. The Group will continue to focus on improving productivity and efficiency.

**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 2022

**B4. Taxation**

The taxation of the Group comprises:

	<b>Current quarter ended 31.03.2022 RM'000</b>	<b>Current year-to-date ended 31.03.2022 RM'000</b>
Taxation		
- current year	(963)	(963)
- prior year	475	475
Deferred tax		
- current year	98	98
	<u>(390)</u>	<u>(390)</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 and adjustment of overprovision of taxation for prior years.

**B5. Group borrowings as at 31.03.2022****Short term borrowings - Secured**

	<b>RM'000</b>
Banker acceptances	<u>6,329</u>

The effective interest rates of loans and borrowings as at 31.03.2022 ranged from 3.27% to 3.44% per annum.

**B6. Lease Liabilities as at 31.03.2022****Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	<u>1,243</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>770</u>	<u>475</u>	<u>1,245</u>

The effective interest rates of lease liabilities as at 31.03.2022 ranged from 5.84% to 6.44% per annum.

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

for the first quarter ended 31 March 2022

**B7. Litigation**

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

**B8. Dividend Declared**

There was no dividend paid in the quarter under review.

The Board of Directors declared a first interim dividend of 4 sen amounting to RM2,184,806 on 21 March 2022 and paid on 25 April 2022 for the financial year ending 31 December 2022.

**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 31.03.2022</b>	<b>Current year-to-date ended 31.03.2022</b>
Profit attributable to owners of the parent (RM'000)	4,587	4,587
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	8.40	8.40
Diluted	N/A	N/A

**B10. Cash and cash equivalents**

	<b>As at 31.03.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
High liquid investments in money market funds	8,101	8,096
Term deposits	16,560	13,650
Cash and bank balances	24,308	22,572
	<u>48,969</u>	<u>44,318</u>

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

for the first quarter ended 31 March 2022

**B11. Profit Before Tax Items**

	<b>Current quarter ended 31.03.2022 RM'000</b>	<b>Current year-to-date ended 31.03.2022 RM'000</b>
Depreciation	995	995
Foreign exchange loss	23	23
Impairment gain on financial assets	(19)	(19)
Interest expense	119	119
Interest income	(187)	(187)
Inventory written-down	6	6
Loss on derecognition of financial assets and receivables	39	39

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>Current quarter ended 31.03.2022 RM'000</b>	<b>Preceding year ended 31.12.2021 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	32,406	28,091
- Unrealised	730	691
	33,136	28,782
Less : Consolidation adjustments	24,904	24,903
Total Group retained profit	58,040	53,685

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 26 May 2022