



**MASTER-PACK**  
GROUP BERHAD 199401011341

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

for the 3rd quarter ended 30 September 2022

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

	Note	Current quarter ended 30.09.2022 RM '000	Preceding year corresponding quarter ended 30.09.2021 RM '000	Current year-to-date ended 30.09.2022 RM '000	Preceding year corresponding year-to-date ended 30.09.2021 RM '000
Revenue	<b>B1</b>	43,461	38,927	119,178	112,428
Operating expenses		(35,976)	(34,842)	(101,944)	(99,869)
Other operating income		499	521	1,689	1,512
Profit from operations		7,984	4,606	18,923	14,071
Finance costs		(78)	(104)	(285)	(341)
<b>Profit before taxation</b>		7,906	4,502	18,638	13,730
Taxation	<b>B4</b>	(1,707)	(801)	(3,601)	(2,473)
<b>Profit for the period</b>		6,199	3,701	15,037	11,257
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		892	453	1,889	995
<b>Other comprehensive income for the period</b>		892	453	1,889	995
		7,091	4,154	16,926	12,252
<b>Profit/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		6,199	3,702	15,038	11,259
- Non-Controlling Interest		-	(1)	(1)	(2)
		6,199	3,701	15,037	11,257
<b>Total comprehensive income/(loss) for the financial period attributable to:-</b>					
- Owners of the Company		7,091	4,155	16,927	12,254
- Non-Controlling Interest		-	(1)	(1)	(2)
		7,091	4,154	16,926	12,252
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	11.35	6.78	27.53	20.61
(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 3rd quarter ended 30 September 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Note</b>	<b>As at end of current quarter ended 30.09.2022 RM'000 (unaudited)</b>	<b>As at end of financial year ended 31.12.2021 RM'000 (audited)</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		37,625	35,955
Investment properties		14,640	14,640
Right -of-use assets		9,572	12,324
Goodwill on consolidation		196	196
Other investments		261	265
		<u>62,294</u>	<u>63,380</u>
<b>Current Assets</b>			
Inventories		18,297	17,377
Trade and other receivables		29,187	30,250
Prepayments		524	2,445
Current tax assets		11	312
Cash and bank balances	<b>B10</b>	54,484	44,318
		<u>102,503</u>	<u>94,702</u>
<b>TOTAL ASSETS</b>		<u>164,797</u>	<u>158,082</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	<b>B6</b>	956	1,517
Deferred tax liabilities		4,921	5,195
		<u>5,877</u>	<u>6,712</u>
<b>Current Liabilities</b>			
Trade and other payables		12,727	17,100
Loans and borrowings - secured	<b>B5</b>	2,279	5,674
Lease liabilities	<b>B6</b>	821	1,457
Current tax liabilities		1,957	744
Dividend Payable		3,277	-
		<u>21,061</u>	<u>24,975</u>
<b>TOTAL LIABILITIES</b>		<u>26,938</u>	<u>31,687</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		82,514	71,049
Equity attributable to owner of the Company		137,853	126,388
Non-controlling interest		6	7
<b>TOTAL EQUITY</b>		<u>137,859</u>	<u>126,395</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>164,797</u>	<u>158,082</u>
Net assets per share attributable to owners of the Company (RM)		2.52	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 3rd quarter ended 30 September 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>9 months ended 30 September 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				995	-	995	-	995
Profit for the financial period	-	-	-	-	11,259	11,259	(2)	11,257
Total comprehensive income for the period	-	-	-	995	11,259	12,254	(2)	12,252
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		950	-		(950)	-	-	-
Transfer of revaluation surplus		-	(474)		474	-	-	-
Balance as at 30 September 2021	55,339	3,031	13,866	632	51,686	124,554	8	124,562

**MASTER-PACK GROUP BERHAD (297020-W)**  
for the 3rd quarter ended 30 September 2022

**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>9 months ended 30 September 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	-	-	-	1,889	-	1,889	-	1,889
Profit for the period	-	-	-	-	15,038	15,038	(1)	15,037
Total comprehensive income for the period	-	-	-	1,889	15,038	16,927	(1)	16,926
Dividend								
Owners of the Company	-	-	-	-	(5,462)	(5,462)	-	(5,462)
Total transactions with owners	-	-	-	-	(5,462)	(5,462)	-	(5,462)
Transfer of legal reserves	-	1,478	-	-	(1,478)	-	-	-
Transfer of revaluation surplus	-	-	(470)	-	470	-	-	-
Balance as at 30 September 2022	55,339	4,759	13,251	2,251	62,253	137,853	6	137,859

**(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 3rd quarter ended 30 September 2022

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current year-to-date ended 30.09.2022 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2021 RM'000 (audited)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	18,638	18,229
Adjustments for non-cash flow items:-		
Depreciation	2,830	4,047
Dividend income	(8)	(5)
Fair value loss/(gains) on financial instruments	4	(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	17	58
Interest expense	285	442
Interest income	(716)	(604)
Inventories written down	18	85
Loss on derecognition of financial assets	-	28
Property, plant and equipment written off	18	-
Operating profit before working capital changes	21,086	22,330
Changes in :-		
Inventories	(938)	(5,659)
Receivables	1,046	(5,052)
Prepayments	1,921	(1,556)
Payables	(4,373)	5,612
Cash generated from operations	18,742	15,675
Tax paid	(2,379)	(2,910)
Net cash generated from operating activities	16,363	12,765
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,759)	(1,724)
Dividends received	8	5
Interest received	716	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 used in investing activities	(1,035)	(58)

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

for the 3rd quarter ended 30 September 2022

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current year-to-date ended 30.09.2022 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2021 RM'000 (audited)
	Note	
<b>Cash flows from financing activities</b>		
Dividend paid	(2,185)	(3,277)
Interest paid	(285)	(449)
Net decrease in short-term loans and borrowings	(3,395)	(1,501)
Payment of lease liabilities	(1,197)	(1,870)
Net cash used in financing activities	(7,062)	(7,097)
Currency translation differences	1,900	720
Net increase in cash and cash equivalents	10,166	6,330
Cash and cash equivalents brought forward	44,318	37,988
Cash and cash equivalents carried forward	B9 54,484	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 3rd quarter ended 30 September 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 30 September 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 30 September 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 3rd quarter ended 30 September 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**

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, 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 3rd quarter ended 30 September 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 30.09.2022 RM'000</b>	<b>Preceding year corresponding quarter ended 30.09.2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	43,461	38,927	4,534	11.6%
Profit before taxation	7,906	4,502	3,404	75.6%

Revenue for the quarter ended 30 Sep 2022 is RM4.5 million or 11.6% higher compared to the corresponding quarter of the preceding year with customers requiring higher deliveries. The lower revenue in the preceding year corresponding quarter of 2021 was due to Malaysia was still in the recovery phase of the Covid-19 pandemic and some customers were not in full operation. Profit before taxation improved by RM3.4 million or 75.6% due to higher sales for the quarter.

**Current Quarter 2022 vs Preceding Quarter**

	<b>Current quarter ended 30.09.2022 RM'000</b>	<b>Preceding quarter ended 30.06.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	43,461	38,829	4,632	11.9%
Profit before taxation	7,906	5,756	2,150	37.4%

Compared to the preceding quarter, revenue increased by RM4.6 million or 11.9% due to higher deliveries as more customers' business continued to pick-up. Profit before taxation improved by RM2.1 million from improved productivity arising from higher revenue for the quarter. For the current quarter, there were lower financial cost from better debt management and raw material stock holding period.

**Current Year-to-date 2022 vs Preceding Year-to-date 2021**

	<b>Current YTD ended 30.09.2022 RM'000</b>	<b>Preceding YTD ended 30.09.2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	119,178	112,428	6,750	6.0%
Profit before taxation	18,638	13,730	4,908	35.7%

Year-to-date revenue increased by RM6.7 million or 6.0% and profit before taxation improved by RM4.9 million, 35.7% due to the higher deliveries this year compared to the preceding year's lower deliveries because of restrictions in economic and social activities affecting businesses from the Covid-19 pandemic. The higher profit before taxation is due to the higher revenue from the higher deliveries.

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

for the 3rd quarter ended 30 September 2022

**B2. Prospect 2022**

Revenue for the year 2022 is expected to be better than that of 2021 with the full opening of the economy from 1<sup>st</sup> April 2022, allowing all businesses to operate at their optimum capacities. However, the Group will continue to face many challenges ahead due to inflationary pressures on operational cost, labor shortage and the high cost of compliance on regulatory requirements.

**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 30.09.2022 RM'000</b>	<b>Current year-to-date ended 30.09.2022 RM'000</b>
Taxation		
- current year	(2,297)	(4,801)
- prior year	464	926
Deferred tax		
- current year	126	274
	<u>(1,707)</u>	<u>(3,601)</u>

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

**B5. Group borrowings as at 30.09.2022****Short term borrowings - Secured**

Banker acceptances	<u>2,279</u>
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The effective interest rates of loans and borrowings as at 30.09.2022 ranged from 3.16% to 4.17% per annum.

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

for the 3rd quarter ended 30 September 2022

**B6. Lease Liabilities as at 30.09.2022****Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	821

**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	619	337	956

The effective interest rates of lease liabilities as at 30.09.2022 ranged from 6.00% to 6.11% 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 6 sen amounting to RM3,277,209 on 24 August 2022 and paid on 12 October 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 30.09.2022</b>	<b>Current year-to-date ended 30.09.2022</b>
Profit attributable to owners of the parent (RM'000)	6,199	15,038
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	11.35	27.53
Diluted	N/A	N/A

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

for the 3rd quarter ended 30 September 2022

**B10. Cash and cash equivalents**

	<b>As at 30.09.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
High liquid investments in money market funds	8,186	8,096
Term deposits	11,640	13,650
Cash and bank balances	34,658	22,572
	<u>54,484</u>	<u>44,318</u>

**B11. Profit Before Tax Items**

	<b>Current quarter ended 30.09.2022 RM'000</b>	<b>Current year-to-date ended 30.09.2022 RM'000</b>
Depreciation	943	2,830
Foreign exchange gain	(134)	(74)
Impairment loss on other investments	2	4
Impairment loss on financial assets	3	17
Interest expense	78	285
Interest income	(310)	(716)
Inventory written-down	6	18

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 30.09.2022 RM'000</b>	<b>Preceding year ended 31.12.2021 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	36,543	28,091
- Unrealised	806	691
	<u>37,349</u>	<u>28,782</u>
Less : Consolidation adjustments	24,904	24,903
Total Group retained profit	<u>62,253</u>	<u>53,685</u>

By order of the Board  
Lee Peng Loon  
P'ng Chiew Keem  
Secretaries  
Penang  
Date: 25 November 2022