



MASTER-PACK
GROUP BERHAD 199401011341

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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MASTER-PACK GROUP BERHAD (297020-W)

for the 4th quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(the figures have not been audited)

	Note	Current quarter ended 31.12.2022 RM '000	Preceding year corresponding quarter ended 31.12.2021 RM '000	Current year-to-date ended 31.12.2022 RM '000	Preceding year corresponding year-to-date ended 31.12.2021 RM '000
Revenue	B1	41,651	41,549	160,973	153,977
Operating expenses		(36,224)	(37,574)	(138,312)	(137,443)
Other operating income		1,191	625	2,880	2,137
Profit from operations		6,618	4,600	25,541	18,671
Finance costs		(94)	(101)	(379)	(442)
Profit before taxation		6,524	4,499	25,162	18,229
Taxation	B4	277	(1,303)	(3,324)	(3,776)
Profit for the period		6,801	3,196	21,838	14,453
Other comprehensive income :-					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		(1,400)	(270)	489	725
Other comprehensive income for the period		(1,400)	(270)	489	725
		5,401	2,926	22,327	15,178
Profit/(loss) for the financial period attributable to:-					
- Owners of the Company		6,800	3,197	21,838	14,456
- Non-Controlling Interest		1	(1)	-	(3)
		6,801	3,196	21,838	14,453
Total comprehensive income/(loss) for the financial period attributable to:-					
- Owners of the Company		5,400	2,927	22,327	15,181
- Non-Controlling Interest		1	(1)	-	(3)
		5,401	2,926	22,327	15,178
Earnings per share (sen) :					
(i) Basic	B9	12.45	6.78	39.98	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 4th quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at end of current quarter ended 31.12.2022 RM'000 (unaudited)	As at end of financial year ended 31.12.2021 RM'000 (audited)
Non-Current Assets			
Property, plant and equipment		37,399	35,955
Investment properties		14,640	14,640
Right -of-use assets		9,592	12,324
Goodwill on consolidation		196	196
Other investments		269	265
Deferred tax assets		1	0
		62,097	63,380
Current Assets			
Inventories		18,897	17,377
Trade and other receivables		31,052	30,250
Prepayments		2,157	2,445
Current tax assets		479	312
Cash and bank balances	B10	55,478	44,318
		108,063	94,702
TOTAL ASSETS		170,160	158,082
Non-Current Liabilities			
Lease Liabilities	B6	1,360	1,517
Deferred tax liabilities		5,296	5,195
		6,656	6,712
Current Liabilities			
Trade and other payables		17,229	17,100
Loans and borrowings - secured	B5	1,776	5,674
Lease liabilities	B6	906	1,457
Current tax liabilities		340	744
		20,251	24,975
TOTAL LIABILITIES		26,907	31,687
Equity			
Equity attributable to owners of the Company			
Share capital		55,339	55,339
Other reserves		87,914	71,049
Equity attributable to owner of the Company		143,253	126,388
Non-controlling interest		0	7
TOTAL EQUITY		143,253	126,395
TOTAL LIABILITIES AND EQUITY		170,160	158,082
Net assets per share attributable to owners of the Company (RM)		2.62	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 4th quarter ended 31 December 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			
12 months ended 31 December 2021								
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 financial 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

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for the 4th quarter ended 31 December 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				
12 months ended 31 December 2022									
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	-	-	-	489		-	489	-	489
Profit for the period	-	-	-	-		21,838	21,838	-	21,838
Total comprehensive income for the period	-	-	-	489		21,838	22,327	-	22,327
Capital distribution to non-controlling interest	-	-	-	-		-	-	(7)	(7)
Dividend									
Owners of the Company	-	-	-	-		(5,462)	(5,462)	-	(5,462)
Total transactions with owners	-	-	-	-		(5,462)	(5,462)	(7)	(5,469)
Transfer of legal reserves	-	1,944	-	-		(1,944)	-	-	-
Transfer of revaluation surplus	-	-	(612)	-		612	-	-	-
Balance as at 31 December 2022	55,339	5,225	13,109	851		68,729	143,253	-	143,253

(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 4th quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.12.2022 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2021 RM'000 (audited)
OPERATING ACTIVITIES		
Profit before taxation	25,162	18,229
Adjustments for non-cash flow items:-		
Depreciation	3,906	4,047
Dividend income	(8)	(5)
Fair value gains on financial instruments	(137)	(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	(82)	58
Interest expense	379	442
Interest income	(910)	(604)
Inventories written down	20	85
Loss on derecognition of financial assets	4	28
Property, plant and equipment written off	33	-
Operating profit before working capital changes	28,367	22,330
Changes in :-		
Inventories	(1,540)	(5,659)
Receivables	(724)	(5,052)
Prepayments	288	(1,556)
Payables	129	5,612
Cash generated from operations	26,520	15,675
Tax paid	(3,792)	(2,910)
Net cash generated from operating activities	22,728	12,765
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,790)	(1,724)
Acquisition of right-of-use assets	(26)	-
Dividends received	8	5
Interest received	1,043	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	(765)	(58)

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for the 4th quarter ended 31 December 2022

	Note	year-to-date ended 31.12.2022 RM'000 (unaudited)	year-to-date ended 31.12.2021 RM'000 (audited)
Cash flows from financing activities			
Capital distribution to non-controlling interests		(7)	-
Dividend paid		(5,462)	(3,277)
Interest paid		(394)	(449)
Net increase/(decrease) in short-term loans and borrowings		(3,883)	(1,501)
Payment of lease liabilities		(1,539)	(1,870)
Net cash used in financing activities		(11,285)	(7,097)
Currency translation differences		482	720
Net increase in cash and cash equivalents		11,160	6,330
Cash and cash equivalents brought forward		44,318	37,988
Cash and cash equivalents carried forward	B10	55,478	44,318

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

MASTER-PACK GROUP BERHAD (297020-W)

for the 4th quarter ended 31 December 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 year ended 31 December 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 December 2022 and of its results and cash flows for the year 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 year under review.

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for the 4th quarter ended 31 December 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 year under review.

A6. Changes in estimates

There were no material changes in the estimates for the financial year 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 and investment holding.

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 were no business combinations, long term investment and restructuring or discontinuing operations during the financial year except for cessation of Master-Pack Energy Sdn Bhd that was struck off from the Register of Companies of Malaysia pursuant to S551(3) of the Companies Act 2016 effective 20 December 2022.

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 4th quarter ended 31 December 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**

	Current quarter ended 31.12.2022 RM'000	Preceding year corresponding quarter ended 31.12.2021 RM'000	Changes	
			RM'000	%
Revenue	41,651	41,549	102	0.2%
Profit before taxation	6,524	4,499	2,025	45.0%

Despite the modest increase in revenue, the Group saw a significant increase in profit before taxation for the quarter ended 31 December 2022 compared to the corresponding quarter of the previous year. These improved results can be attributed to several factors, including higher deliveries of products with improved margins, improvements in productivity and efficiency in the supply chain, and reduced restrictions due to the Covid-19 pandemic.

Current Quarter 2022 vs Preceding Quarter

	Current quarter ended 31.12.2022 RM'000	Preceding quarter ended 30.09.2022 RM'000	Changes	
			RM'000	%
Revenue	41,651	43,461	(1,810)	-4.2%
Profit before taxation	6,524	7,906	(1,382)	-17.5%

Compared to the preceding quarter, revenue decreased by RM1.8 million ie 4.2% due to lower demand from customers and profit before taxation dropped by RM1.3 million as a result of the lower deliveries.

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

	Current YTD ended 31.12.2022 RM'000	Preceding YTD ended 31.12.2021 RM'000	Changes	
			RM'000	%
Revenue	160,973	153,977	6,996	4.5%
Profit before taxation	25,162	18,229	6,933	38.0%

Total revenue for 2022 increased by RM7.0 million, 4.5% up and profit before taxation increased by RM7.0 million as compared to the financial year ended 31 December 2021. The improved performance was mainly due to the upliftment of many Covid-19 pandemic restrictions not only in Malaysia but globally and as such demand from our customers increased and also with better margins.

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for the 4th quarter ended 31 December 2022

B2. Prospect 2023

The effect from the pandemic of Covid-19, natural catastrophes such as earth quakes and impact of climate changes put pressures on the livelihood of people all over the world, as such the performance of corporations in all industries become unpredictable. As a provider of packaging products and services, the Group is not spared from these phenomena, its business is highly dependent on the business of its customers. The United Nations Report titled “World Economic Situation and Prospects 2023” published on 25 January 2023 presents a grim economic outlook for the near-term. However, the Group will continue to strengthen its customer base to cover a wider range of industries and geographical areas. This is to mitigate any risks that may befall a certain industry sector. The Group may also look into other new investments that can bring better returns for its shareholders.

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 31.12.2022 RM'000	Current year-to-date ended 31.12.2022 RM'000
Taxation		
- current year	652	(4,149)
- prior year	-	926
Deferred tax		
- current year	(264)	10
- prior year	(111)	(111)
	<u>277</u>	<u>(3,324)</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 31.12.2022**Short term borrowings - Secured**

	RM'000
Banker acceptances	<u>1,776</u>

The effective interest rates of loans and borrowings as at 31.12.2022 ranged from 3.16% to 4.31% per annum.

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for the 4th quarter ended 31 December 2022

B6. Lease Liabilities as at 31.12.2022**Short term lease liabilities - Secured**

	RM'000
Lease liabilities due within one year	906

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	1,105	255	1,360

The effective interest rates of lease liabilities as at 31.12.2022 ranged from 5.95% to 6.03% per annum.

B7. Litigation

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

B8. Dividend Declared

The Board does not declare any dividend for the financial period under review.

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 31.12.2022	Current year-to-date ended 31.12.2022
Profit attributable to owners of the parent (RM'000)	6,800	21,838
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	12.45	39.98
Diluted	N/A	N/A

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for the 4th quarter ended 31 December 2022

B10. Cash and cash equivalents

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
High liquid investments in money market funds	8,229	8,096
Term deposits	23,320	13,650
Cash and bank balances	23,929	22,572
	<hr/> <hr/>	<hr/> <hr/>
	55,478	44,318

B11. Profit Before Tax Items

	Current quarter ended 31.12.2022 RM'000	Current year-to-date ended 31.12.2022 RM'000
Depreciation	1,076	3,906
Foreign exchange gain	(201)	(275)
Impairment gain on other investments	(141)	(137)
Impairment loss on financial assets	(99)	(82)
Interest expense	88	379
Interest income	(194)	(910)
Inventory written-down	2	20

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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B12. Disclosure of realised and unrealised profits and losses

	Current quarter ended 31.12.2022 RM'000	Preceding year ended 31.12.2021 RM'000
Master-Pack Group Berhad and its subsidiaries :		
- Realised	43,725	28,091
- Unrealised	418	691
	<hr/>	<hr/>
	44,143	28,782
Less : Consolidation adjustments	24,586	24,903
	<hr/>	<hr/>
Total Group retained profit	<u>68,729</u>	<u>53,685</u>

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 22 February 2023