



MASTER-PACK
GROUP BERHAD 199401011341

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(the figures have not been audited)

	Note	Current quarter ended 31.03.2023 RM '000	Preceding year corresponding quarter ended 31.03.2022 RM '000	Current year-to-date ended 31.03.2023 RM '000	Preceding year corresponding year-to-date ended 31.03.2022 RM '000
Revenue	B1	40,768	36,888	40,768	36,888
Operating expenses		(35,560)	(32,476)	(35,560)	(32,476)
Other operating income		824	683	824	683
Profit from operations		6,032	5,095	6,032	5,095
Finance costs		(83)	(119)	(83)	(119)
Profit before taxation		5,949	4,976	5,949	4,976
Taxation	B4	(996)	(390)	(996)	(390)
Profit for the period		4,953	4,586	4,953	4,586
Other comprehensive income :-					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		382	261	382	261
Other comprehensive income for the period		382	261	382	261
		5,335	4,847	5,335	4,847
Profit for the financial period attributable to:-					
- Owners of the Company		4,953	4,587	4,953	4,587
- Non-Controlling Interest		-	(1)	-	(1)
		4,953	4,586	4,953	4,586
Total comprehensive income for the financial period attributable to:-					
- Owners of the Company		5,335	4,848	5,335	4,848
- Non-Controlling Interest		-	(1)	-	(1)
		5,335	4,847	5,335	4,847
Earnings per share (sen) :					
(i) Basic	B9	9.07	8.40	9.07	8.40
(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 2022 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at end of current quarter ended 31.03.2023 RM'000 (unaudited)	As at end of financial year ended 31.12.2022 RM'000 (audited)
Non-Current Assets			
Property, plant and equipment		36,901	37,399
Investment properties		14,640	14,640
Right -of-use assets		9,101	9,592
Goodwill on consolidation		196	196
Other investments		285	269
Deferred tax assets		2	1
		<u>61,125</u>	<u>62,097</u>
Current Assets			
Inventories		15,574	18,897
Trade and other receivables		37,192	31,052
Prepayments		248	2,157
Current tax assets		461	479
Cash and bank balances	B10	59,756	55,478
		<u>113,231</u>	<u>108,063</u>
TOTAL ASSETS		<u>174,356</u>	<u>170,160</u>
Non-Current Liabilities			
Lease Liabilities	B6	1,215	1,360
Deferred tax liabilities		5,197	5,296
		<u>6,412</u>	<u>6,656</u>
Current Liabilities			
Trade and other payables		15,344	17,229
Loans and borrowings - secured	B5	2,949	1,776
Lease liabilities	B6	741	906
Current tax liabilities		322	340
Dividend Payable		3,277	-
		<u>22,633</u>	<u>20,251</u>
TOTAL LIABILITIES		<u>29,045</u>	<u>26,907</u>
Equity			
Equity attributable to owners of the Company			
Share capital		55,339	55,339
Other reserves		89,972	87,914
Equity attributable to owner of the Company		145,311	143,253
Non-controlling interest		-	-
TOTAL EQUITY		<u>145,311</u>	<u>143,253</u>
TOTAL LIABILITIES AND EQUITY		<u>174,356</u>	<u>170,160</u>
Net assets per share attributable to owners of the Company (RM)		2.66	2.62

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)
for the 1st quarter ended 31 March 2023

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		
3 months ended 31 March 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				261	-	261	-	261
Profit for the financial 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

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for the 1st quarter ended 31 March 2023

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			
3 months ended 31 March 2023								
Balance as at 1 January 2023	55,339	5,225	13,109	851	68,729	143,253	-	143,253
Reclassification adjustments on :-								
Changes in currency translation	-	-	-	382	-	382	-	382
Profit for the period	-	-	-	-	4,953	4,953	-	4,953
Total comprehensive income for the period	-	-	-	382	4,953	5,335	-	5,335
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	-	447	-	-	(447)	-	-	-
Transfer of revaluation surplus	-	-	(505)	-	505	-	-	-
Balance as at 31 March 2023	55,339	5,672	12,604	1,233	70,463	145,311	-	145,311

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.03.2023 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2022 RM'000 (audited)
	Note	
OPERATING ACTIVITIES		
Profit before taxation	5,949	25,162
Adjustments for non-cash flow items:-		
Depreciation	1,039	3,906
Dividend income	(4)	(8)
Fair value gains on financial instruments	(16)	(137)
Impairment loss/(gain) on financial assets	37	(82)
Interest expense	83	379
Interest income	(411)	(910)
Inventories written down	6	20
Loss on derecognition of financial assets	-	4
Property, plant and equipment written off	-	33
Operating profit before working capital changes	<u>6,683</u>	<u>28,367</u>
Changes in :-		
Inventories	3,316	(1,540)
Receivables	(6,177)	(724)
Prepayments	1,909	288
Payables	<u>(1,885)</u>	<u>129</u>
Cash generated from operations	3,846	26,520
Tax paid	<u>(1,102)</u>	<u>(3,792)</u>
Net cash generated from operating activities	2,744	22,728
Cash flows from investing activities		
Acquisition of property, plant and equipment	(48)	(1,790)
Acquisition of right-of-use assets	-	(26)
Dividends received	4	8
Interest received	411	1,043
Net cash generated/(used in) investing activities	367	(765)

MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.03.2023 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2022 RM'000 (audited)
	Note	
Cash flows from financing activities		
Capital distribution to non-controlling interests	-	(7)
Dividend paid	-	(5,462)
Interest paid	(83)	(394)
Net increase/(decrease) in short-term loans and borrowings	1,173	(3,883)
Payment of lease liabilities	(311)	(1,539)
Placement of term deposits pledged as security	(506)	(1,000)
Net cash generated/(used in) financing activities	273	(12,285)
Currency translation differences	388	482
Net increase in cash and cash equivalents	3,772	10,160
Cash and cash equivalents brought forward	54,478	44,318
Cash and cash equivalents carried forward	B10 58,250	54,478

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

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 2023 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 2022. 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 2023 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 2022 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 2022 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.

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for the 1st quarter ended 31 March 2023

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 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 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 1st quarter ended 31 March 2023

B. Additional information required by the listing requirements of Bursa Malaysia Securities Berhad**B1 Performance Review of the Group****Current Quarter 2023 vs Corresponding Quarter 2022**

	Current quarter ended 31.03.2023 RM'000	Preceding year corresponding quarter ended 31.03.2022 RM'000	Changes	
			RM'000	%
Revenue	40,768	36,888	3,880	10.5%
Profit before taxation	5,949	4,976	973	19.6%

The revenue for the quarter ending 31 March 2023 increased by RM3.9 million or 10.5% compared to the previous year's corresponding quarter, owing to the addition of new customers and higher demand from the solar sector. As costs remained stable, the increased revenue contributed to higher profit before taxation.

Current Quarter 2023 vs Preceding Quarter

	Current quarter ended 31.03.2023 RM'000	Preceding quarter ended 31.12.2022 RM'000	Changes	
			RM'000	%
Revenue	40,768	41,795	-1,027	-2.5%
Profit before taxation	5,949	6,524	-575	-8.8%

The current quarter experienced a decrease in revenue of RM1.0 million or 2.5% when compared to the previous quarter. The main reason for the drop was the slower delivery of packaging materials to the Electronics and Electrical Sector and lower production hours for the quarter. Consequently, the profit margin for the current quarter is lower than the preceding quarter.

B2. Prospect 2023

Projection for the Group's total revenue for the year is expected to be positive as well as the earnings as cost of raw materials and operating expenses are currently stable. However, external factors beyond our control such as weakening of the Ringgit will translate to higher cost of imported materials and other global economic factors that may disrupt our customers' businesses will also have an impact on our performance.

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

Not applicable.

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for the 1st quarter ended 31 March 2023

B4. Taxation

The taxation of the Group comprises:

	Current quarter ended 31.03.2023 RM'000	Current year-to-date ended 31.03.2023 RM'000
Taxation		
- current year	(1,095)	(1,095)
Deferred tax		
- current year	99	99
	<u>(996)</u>	<u>(996)</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 31.03.2023**Short term borrowings - Secured**

	RM'000
Banker acceptances	<u>2,949</u>

The effective interest rates of loans and borrowings as at 31.03.2023 ranged from 4.45% to 5.09% per annum.

B6. Lease Liabilities as at 31.03.2023**Short term lease liabilities - Secured**

	RM'000
Lease liabilities due within one year	<u>741</u>

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	<u>939</u>	<u>276</u>	<u>1,215</u>

The effective interest rates of lease liabilities as at 31.03.2023 ranged from 5.55% to 6.00% per annum.

B7. Litigation

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

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for the 1st quarter ended 31 March 2023

B8. Dividend Declared

The Board of Directors has declared a first interim dividend of 6 sen amounting to RM3,277,209 on 31 March 2023 and paid on 19 April 2023 for the financial year ending 31 December 2023.

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 31.03.2023	Current year-to-date ended 31.03.2023
Profit attributable to owners of the parent (RM'000)	4,953	4,953
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	9.07	9.07
Diluted	N/A	N/A

B10. Cash and cash equivalents

	As at 31.03.2023 RM'000	As at 31.12.2022 RM'000
High liquid investments in money market funds	8,283	8,229
Term deposits	22,560	23,320
Cash and bank balances	28,913	23,929
	<hr/>	<hr/>
	59,756	55,478
Term deposits pledged as security	-1,506	-1,000
	<hr/>	<hr/>
	58,250	54,478
	<hr/>	<hr/>

MASTER-PACK GROUP BERHAD (297020-W)

for the 1st quarter ended 31 March 2023

B11. Profit Before Tax Items

	Current quarter ended 31.03.2023 RM'000	Current year-to-date ended 31.03.2023 RM'000
Depreciation	1,039	1,039
Foreign exchange loss	197	197
Impairment gain on other investments	(16)	(16)
Impairment loss on financial assets	37	37
Interest expense	83	83
Interest income	(411)	(411)
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

	Current quarter ended 31.03.2023 RM'000	Preceding year ended 31.12.2022 RM'000
Master-Pack Group Berhad and its subsidiaries :		
- Realised	45,443	43,725
- Unrealised	434	418
	<hr/> 45,877	<hr/> 44,143
Less : Consolidation adjustments	24,586	24,586
	<hr/> 70,463	<hr/> 68,729
Total Group retained profit	<hr/> <hr/> 70,463	<hr/> <hr/> 68,729

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 26 May 2023