



**MASTER-PACK**  
GROUP BERHAD 199401011341

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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

For the 2nd quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

	Note	Current quarter ended 30.06.2023 RM '000	Preceding year corresponding quarter ended 30.06.2022 RM '000	Current year-to-date ended 30.06.2023 RM '000	Preceding year corresponding year-to-date ended 30.06.2022 RM '000
Revenue	<b>B1</b>	41,164	38,829	81,932	75,717
Operating expenses		(34,598)	(33,492)	(70,158)	(65,968)
Other operating income		727	507	1,551	1,190
<b>Profit from operations</b>		<b>7,293</b>	<b>5,844</b>	<b>13,325</b>	<b>10,939</b>
Finance costs		(81)	(88)	(164)	(207)
<b>Profit before taxation</b>		<b>7,212</b>	<b>5,756</b>	<b>13,161</b>	<b>10,732</b>
Taxation	<b>B4</b>	(1,185)	(1,504)	(2,181)	(1,894)
<b>Profit for the period</b>		<b>6,027</b>	<b>4,252</b>	<b>10,980</b>	<b>8,838</b>
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		1,807	736	2,189	997
<b>Other comprehensive income for the period</b>		<b>1,807</b>	<b>736</b>	<b>2,189</b>	<b>997</b>
		<b>7,834</b>	<b>4,988</b>	<b>13,169</b>	<b>9,835</b>
<b>Profit for the financial period attributable to:-</b>					
- Owners of the Company		6,027	4,252	10,980	8,839
- Non-Controlling Interest		-	-	-	(1)
		<b>6,027</b>	<b>4,252</b>	<b>10,980</b>	<b>8,838</b>
<b>Total comprehensive income for the financial period attributable to:-</b>					
- Owners of the Company		7,834	4,988	13,169	9,836
- Non-Controlling Interest		-	-	-	(1)
		<b>7,834</b>	<b>4,988</b>	<b>13,169</b>	<b>9,835</b>
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	11.03	7.78	20.10	16.18
(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 2nd quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 30.06.2023 RM'000 (unaudited)	As at end of financial year ended 31.12.2022 RM'000 (audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		43,401	37,399
Investment properties		14,640	14,640
Right -of-use assets		7,163	9,592
Goodwill on consolidation		196	196
Other investments		252	269
Deferred tax assets		2	1
		<u>65,654</u>	<u>62,097</u>
<b>Current Assets</b>			
Inventories		14,132	18,897
Trade and other receivables		35,083	31,052
Prepayments		232	2,157
Current tax assets		413	479
Cash and bank balances	B10	60,353	55,478
		<u>110,213</u>	<u>108,063</u>
<b>TOTAL ASSETS</b>		<u><u>175,867</u></u>	<u><u>170,160</u></u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	B6	1,071	1,360
Deferred tax liabilities		5,319	5,296
		<u>6,390</u>	<u>6,656</u>
<b>Current Liabilities</b>			
Trade and other payables		11,893	17,229
Loans and borrowings - secured	B5	3,416	1,776
Lease liabilities	B6	586	906
Current tax liabilities		437	340
		<u>16,332</u>	<u>20,251</u>
<b>TOTAL LIABILITIES</b>		<u><u>22,722</u></u>	<u><u>26,907</u></u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		97,806	87,914
Equity attributable to owner of the Company		153,145	143,253
Non-controlling interest		-	-
<b>TOTAL EQUITY</b>		<u><u>153,145</u></u>	<u><u>143,253</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>175,867</u></u>	<u><u>170,160</u></u>
Net assets per share attributable to owners of the Company (RM)		2.80	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 2nd quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

-----Attributable to Owners of the Company-----

-----Non Distributable-----

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>6 months ended 30 June 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				997	-	997	-	997
Profit for the financial period	-	-	-	-	8,839	8,839	(1)	8,838
Total comprehensive income for the period	-	-	-	997	8,839	9,836	(1)	9,835
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		864	-		(864)	-	-	-
Transfer of revaluation surplus		-	(312)		312	-	-	-
Balance as at 30 June 2022	55,339	4,145	13,409	1,359	59,787	134,039	6	134,045

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

For the 2nd quarter ended 30 June 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 RM'000	Legal Reserves RM'000	Revaluation Surplus RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000			
<b>6 months ended 30 June 2023</b>								
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	-	-	-	2,189	-	2,189	-	2,189
Profit for the period	-	-	-	-	10,980	10,980	-	10,980
Total comprehensive income for the period	-	-	-	2,189	10,980	13,169	-	13,169
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	-	1,055	-	-	(1,055)	-	-	-
Transfer of revaluation surplus	-	-	(322)	-	322	-	-	-
Balance as at 30 June 2023	55,339	6,280	12,787	3,040	75,699	153,145	-	153,145

(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 2nd quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current</b> <b>year-to-date ended</b> <b>30.06.2023</b> <b>RM'000</b> <b>(unaudited)</b>	<b>Preceding</b> <b>year-to-date ended</b> <b>31.12.2022</b> <b>RM'000</b> <b>(audited)</b>
	<b>Note</b>	
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	13,161	25,162
Adjustments for non-cash flow items:-		
Depreciation	2,177	3,906
Dividend income	(18)	(8)
Fair value loss/(gains) on financial instruments	17	(137)
Impairment loss/(gain) on financial assets	76	(82)
Interest expense	164	379
Interest income	(819)	(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	14,764	28,367
Changes in :-		
Inventories	4,759	(1,540)
Receivables	(4,107)	(724)
Prepayments	1,925	288
Payables	(5,336)	129
Cash generated from operations	12,005	26,520
Tax paid	(2,104)	(3,792)
Tax refunded	86	-
Net cash generated from operating activities	9,987	22,728
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,734)	(1,790)
Acquisition of right-of-use assets	-	(26)
Dividends received	18	8
Interest received	819	1,043
Net cash used in investing activities	(4,897)	(765)

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

For the 2nd quarter ended 30 June 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year-to-date ended 30.06.2023 RM'000 (unaudited)</b>	<b>Preceding year-to-date ended 31.12.2022 RM'000 (audited)</b>
	<b>Note</b>	
<b>Cash flows from financing activities</b>		
Capital distribution to non-controlling interests	-	(7)
Dividend paid	(3,277)	(5,462)
Interest paid	(164)	(394)
Net increase/(decrease) in short-term loans and borrowings	1,640	(3,883)
Payment of lease liabilities	(609)	(1,539)
Placement of term deposits pledged as security	(1,012)	(1,000)
Net cash used in financing activities	(3,422)	(12,285)
Currency translation differences	2,195	482
Net increase in cash and cash equivalents	3,863	10,160
Cash and cash equivalents brought forward	54,478	44,318
Cash and cash equivalents carried forward	<b>B10</b> <u>58,341</u>	<u>54,478</u>

**(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 2nd quarter ended 30 June 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 30 June 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 30 June 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.



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

For the 2nd quarter ended 30 June 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**

A first interim dividend of 6 sen amounting to RM3,277,209 was paid on 19 April 2023 for the financial year ending 31 December 2023.

### **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 2nd quarter ended 30 June 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**

	<b>Current quarter ended 30.06.2023 RM'000</b>	<b>Preceding year corresponding quarter ended 30.06.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,164	38,829	2,335	6.0%
Profit before taxation	7,212	5,756	1,456	25.3%

For the quarter ended 30 June 2023, revenue increased by RM2.3 million or 6.0% as compared to the quarter ended 30 June 2022. The higher revenue was achieved through our adaptability to changing market demands and close customer's relationship and rapport. Profit before taxation is higher due to higher focused efforts on optimizing different sectors of our business and our closed relationship with suppliers.

**Current Quarter 2023 vs Preceding Quarter**

	<b>Current quarter ended 30.06.2023 RM'000</b>	<b>Preceding quarter ended 31.03.2023 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,164	40,768	396	1.0%
Profit before taxation	7,212	5,949	1,263	21.2%

There is no significant difference in revenue between the first quarter and second quarter for the current financial year. However, revenue from the electrical & electronics sector dropped by 18% from weak demand. This was mitigated by leveraging the strength of other sectors and has enabled us to maintain overall stability. Our ability to adapt and optimize our resources resulted in an improved profit of RM1.3 million.

**Current Year-to-date 2023 vs Preceding Year-to-date 2022**

	<b>Current YTD ended 30.06.2023 RM'000</b>	<b>Preceding YTD ended 30.06.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	81,932	75,717	6,215	8.2%
Profit before taxation	13,161	10,732	2,429	22.6%

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

For the 2nd quarter ended 30 June 2023

The higher revenue of RM6.2 million resulted from positive momentum of our major sectors for the six months ended 30 June 2023 as compared to the six months ended 30 June 2022. The solar sector continued its positive uptrend improving by 3% in the first half of 2023 as compared with the corresponding period of the preceding year. Improvement in productivity and containment of other operating cost together with relative lower material prices, profit before taxation improved to RM13.2 million, an increase of RM2.4 million against the first six months of 2022.

### B2. Prospect 2023

The Group remains optimistic the performance for this financial year will continue to be positive, with the exception of a strengthening USD and the weak Electrical and Electronics sector. Prudent purchasing strategy and productivity improvements to mitigate these impacts are established

### 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 30.06.2023 RM'000</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>
Taxation		
- current year	(1,070)	(2,165)
- prior year	6	6
Deferred tax		
- current year	(121)	(22)
	<u>(1,185)</u>	<u>(2,181)</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 30.06.2023

#### Short term borrowings - Secured

	<b>RM'000</b>
Banker acceptances	<u>3,416</u>

The effective interest rates of loans and borrowings as at 30.06.2023 ranged from 4.42% to 5.09% per annum.

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

For the 2nd quarter ended 30 June 2023

**B6. Lease Liabilities as at 30.06.2023****Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	586

**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	949	122	1,071

The effective interest rates of lease liabilities as at 30.06.2023 is at 6.00% 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 in 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.

	<b>Current quarter ended 30.06.2023</b>	<b>Current year-to-date ended 30.06.2023</b>
Profit attributable to owners of the parent (RM'000)	6,027	10,980
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	11.03	20.10
Diluted	N/A	N/A

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

For the 2nd quarter ended 30 June 2023

**B10. Cash and cash equivalents**

	<b>As at 30.06.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
High liquid investments in money market funds	8,336	8,229
Term deposits	23,792	23,320
Cash and bank balances	28,225	23,929
	<hr/>	<hr/>
	60,353	55,478
Term deposits pledged as security	(2,012)	(1,000)
	<hr/>	<hr/>
	58,341	54,478
	<hr/>	<hr/>

**B11. Profit Before Tax Items**

	<b>Current quarter ended 30.06.2023 RM'000</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>
Depreciation	1,138	2,177
Foreign exchange gain	(335)	(138)
Impairment loss on other investments	33	17
Impairment loss on financial assets	39	76
Interest expense	81	164
Interest income	(408)	(819)
Inventory written-down	0	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**

	<b>Current quarter ended 30.06.2023 RM'000</b>	<b>Preceding year ended 31.12.2022 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	50,838	43,725
- Unrealised	275	418
	<hr/>	<hr/>
	51,113	44,143
Less : Consolidation adjustments	24,586	24,586
	<hr/>	<hr/>
Total Group retained profit	<u>75,699</u>	<u>68,729</u>

By order of the Board  
Lee Peng Loon  
P'ng Chiew Keem  
Secretaries  
Penang  
Date: 18 August 2023