



**MASTER-PACK**  
GROUP BERHAD 199401011341

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

<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 3rd quarter ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(the figures have not been audited)

		Current quarter ended 30.09.2023 RM '000	Preceding year corresponding quarter ended 30.09.2022 RM '000	Current year-to-date ended 30.09.2023 RM '000	Preceding year corresponding year-to-date ended 30.09.2022 RM '000
Revenue	<b>B1</b>	41,534	43,461	123,466	119,178
Operating expenses		(34,061)	(35,976)	(104,219)	(101,944)
Other operating income		823	499	2,374	1,689
Profit from operations		8,296	7,984	21,621	18,923
Finance costs		(96)	(78)	(260)	(285)
<b>Profit before taxation</b>		8,200	7,906	21,361	18,638
Taxation	<b>B4</b>	(1,228)	(1,707)	(3,409)	(3,601)
<b>Profit for the period</b>		6,972	6,199	17,952	15,037
<b>Other comprehensive income :-</b>					
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		(931)	892	1,258	1,889
<b>Other comprehensive income for the period</b>		(931)	892	1,258	1,889
		6,041	7,091	19,210	16,926
<b>Profit for the financial period attributable to:-</b>					
- Owners of the Company		6,972	6,199	17,952	15,038
- Non-Controlling Interest		-	-	-	(1)
		6,972	6,199	17,952	15,037
<b>Total comprehensive income for the financial period attributable to:-</b>					
- Owners of the Company		6,041	7,091	19,210	16,927
- Non-Controlling Interest		-	-	-	(1)
		6,041	7,091	19,210	16,926
<b>Earnings per share (sen) :</b>					
(i) Basic	<b>B9</b>	12.76	11.35	32.87	27.53
(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 3rd quarter ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at end of current quarter ended 30.09.2023 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		43,015	37,399
Investment properties		14,640	14,640
Right -of-use assets		7,704	9,592
Goodwill on consolidation		196	196
Other investments		291	269
Deferred tax assets		4	1
		<u>65,850</u>	<u>62,097</u>
<b>Current Assets</b>			
Inventories		13,104	18,897
Trade and other receivables		33,822	31,052
Prepayments		481	2,157
Current tax assets		56	479
Cash and bank balances	<b>B10</b>	66,348	55,478
		<u>113,811</u>	<u>108,063</u>
<b>TOTAL ASSETS</b>		<u>179,661</u>	<u>170,160</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	<b>B6</b>	1,647	1,360
Deferred tax liabilities		5,376	5,296
		<u>7,023</u>	<u>6,656</u>
<b>Current Liabilities</b>			
Trade and other payables		10,515	17,229
Loans and borrowings - secured	<b>B5</b>	1,591	1,776
Lease liabilities	<b>B6</b>	752	906
Current tax liabilities		594	340
Dividend Payable		3,277	-
		<u>16,729</u>	<u>20,251</u>
<b>TOTAL LIABILITIES</b>		<u>23,752</u>	<u>26,907</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		55,339	55,339
Other reserves		100,570	87,914
Equity attributable to owner of the Company		155,909	143,253
Non-controlling interest		-	-
<b>TOTAL EQUITY</b>		<u>155,909</u>	<u>143,253</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>179,661</u>	<u>170,160</u>
Net assets per share attributable to owners of the Company (RM)		2.85	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 3rd quarter ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Note	Attributable to Owners of the Company						Non-Controlling Interest	TOTAL EQUITY
	Share Capital	Legal Reserves	Revaluation Surplus	Currency Translation Reserve	Retained Profits	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 financial 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

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

For the 3rd quarter ended 30 September 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			
<b>9 months ended 30 September 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	-	-	-	1,258	-	1,258	-	1,258
Profit for the period	-	-	-	-	17,952	17,952	-	17,952
Total comprehensive income for the period	-	-	-	1,258	17,952	19,210	-	19,210
Dividend								
Owners of the Company	-	-	-	-	(6,554)	(6,554)	-	(6,554)
Total transactions with owners	-	-	-	-	(6,554)	(6,554)	-	(6,554)
Transfer of legal reserves	-	1,664	-	-	(1,664)	-	-	-
Transfer of revaluation surplus	-	-	(486)	-	486	-	-	-
Balance as at 30 September 2023	55,339	6,889	12,623	2,109	78,949	155,909	-	155,909

**(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 3rd quarter ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current</b> <b>year-to-date ended</b> <b>30.09.2023</b> <b>RM'000</b> (unaudited)	<b>Preceding</b> <b>year-to-date ended</b> <b>31.12.2022</b> <b>RM'000</b> (audited)
	<b>Note</b>	
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	21,361	25,162
Adjustments for non-cash flow items:-		
Depreciation	3,428	3,906
Dividend income	(21)	(8)
Fair value gains on financial instruments	(22)	(137)
Gain on disposal of property, plant and equipment	(5)	-
Impairment loss/(gain) on financial assets	149	(82)
Interest expense	260	379
Interest income	(1,312)	(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	23,844	28,367
Changes in :-		
Inventories	5,787	(1,540)
Receivables	(2,919)	(724)
Prepayments	1,676	288
Payables	(6,714)	129
Cash generated from operations	21,674	26,520
Tax paid	(3,346)	(3,792)
Tax refunded	676	-
Net cash generated from operating activities	19,004	22,728
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(6,215)	(1,790)
Acquisition of right-of-use assets	-	(26)
Dividends received	21	8
Interest received	1,312	1,043
Proceeds from disposal of property, plant and equipment	5	-
Net cash used in investing activities	(4,877)	(765)

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

For the 3rd quarter ended 30 September 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current year-to-date ended 30.09.2023 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	(260)	(394)
Net decrease in short-term loans and borrowings	(185)	(3,883)
Payment of lease liabilities	(798)	(1,539)
Placement of term deposits pledged as security	(1,527)	(1,000)
Net cash used in financing activities	(6,047)	(12,285)
Currency translation differences	1,263	482
Net increase in cash and cash equivalents	9,343	10,160
Cash and cash equivalents brought forward	54,478	44,318
Cash and cash equivalents carried forward	<b>B10</b> 63,821	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 3rd quarter ended 30 September 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 September 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 September 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 3rd quarter ended 30 September 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 are not significant, operating results from the other divisions are 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 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 30.09.2023 RM'000</b>	<b>Preceding year corresponding quarter ended 30.09.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,534	43,461	(1,927)	-4.4%
Profit before taxation	8,200	7,906	294	3.7%

Revenue for the quarter ended 30th September 2023 experienced a decline of RM1.9 million representing 4.4% as compared to the same period of FY2022. With the exception of the Solar PV segment which saw a positive growth of 4%, all other sectors reported a decrease from sluggish demand, particularly from the Electronics and Electrical sectors. Despite the decline in revenue, profit before taxation improved. This improvement can be attributed to cost-saving measures through prudent purchasing management and by controlling expenses.

**Current Quarter 2023 vs Preceding Quarter**

	<b>Current quarter ended 30.09.2023 RM'000</b>	<b>Preceding quarter ended 30.06.2023 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	41,534	41,164	370	0.9%
Profit before taxation	8,200	7,212	988	13.7%

The variance in revenue between the current quarter and the previous quarter is less than RM1 million. Profit before taxation improved by nearly RM1 million from RM7.2 million to RM8.2 million, the profit margin improved from 17.5% to 19.7% mainly due to prudent purchasing of raw materials during the quarter.

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

	<b>Current YTD ended 30.09.2023 RM'000</b>	<b>Preceding YTD ended 30.09.2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	123,466	119,178	4,288	3.6%
Profit before taxation	21,361	18,638	2,723	14.6%

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

For the 3rd quarter ended 30 September 2023

In comparison to the first nine months of the current year to the previous year, there was an increase in revenue of RM4.3 million. The growth was primarily driven by the Solar PV segment, which experienced higher demand in term of quantities and partly attributable from a weaker Ringgit. As a result the Group was able to record a higher profit before taxation of RM21.4 million against RM18.6 million of the previous year.

### B2. Prospect 2023

The Group remains optimistic to achieve better results comparable to those of the previous year. Barring any unforeseeable circumstances beyond our control, such as potential disruptions stemming from global geopolitical, economic, or financial developments, we anticipate continued stability and growth. Having put in place procedures and controls to improve productivity and efficiency, the Group is confident to overcome the challenges that may arise in the last quarter of 2023.

### 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 30.09.2023 RM'000</b>	<b>Current year-to-date ended 30.09.2023 RM'000</b>
Taxation		
- current year	(1,221)	(3,386)
- prior year	47	53
Deferred tax		
- current year	(54)	(76)
	<u>(1,228)</u>	<u>(3,409)</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 30.09.2023

#### Short term borrowings - Secured

	<b>RM'000</b>
Banker acceptances	<u>1,591</u>

The effective interest rates of loans and borrowings as at 30.09.2023 ranged from 4.42% to 5.30% per annum.

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

For the 3rd quarter ended 30 September 2023

**B6. Lease Liabilities as at 30.09.2023****Short term lease liabilities - Secured**

	<b>RM'000</b>
Lease liabilities due within one year	<u>752</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>757</u>	<u>890</u>	<u>1,647</u>

The effective interest rates of lease liabilities as at 30.09.2023 ranged from 5.55% to 6.00% 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 5 September 2023 and paid on 12 October 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.

	<b>Current quarter ended 30.09.2023</b>	<b>Current year-to-date ended 30.09.2023</b>
Profit attributable to owners of the parent (RM'000)	6,972	17,952
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	12.76	32.87
Diluted	N/A	N/A

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

For the 3rd quarter ended 30 September 2023

**B10. Cash and cash equivalents**

	<b>As at 30.09.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
High liquid investments in money market funds	8,388	8,229
Term deposits	27,617	23,320
Cash and bank balances	30,343	23,929
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	66,348	55,478
Term deposits pledged as security	-2,527	-1,000
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	63,821	54,478
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**B11. Profit Before Tax Items**

	<b>Current quarter ended 30.09.2023 RM'000</b>	<b>Current year-to-date ended 30.09.2023 RM'000</b>
Depreciation	1,251	3,428
Foreign exchange gain	(326)	(464)
Impairment gain on other investments	(39)	(22)
Impairment loss on financial assets	73	149
Interest expense	96	260
Interest income	(493)	(1,312)
Inventory written-down	-	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 30.09.2023 RM'000</b>	<b>Preceding year ended 31.12.2022 RM'000</b>
Master-Pack Group Berhad and its subsidiaries :		
- Realised	54,211	43,725
- Unrealised	152	418
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	54,363	44,143
Less : Consolidation adjustments	24,586	24,586
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Total Group retained profit	78,949	68,729
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By order of the Board

Lee Peng Loon  
P'ng Chiew Keem  
Secretaries  
Penang

Date: 17 November 2023