



MASTER-PACK
GROUP BERHAD 199401011341

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(the figures have not been audited)

	Note	Current quarter ended 31.12.2023 RM '000	Preceding year corresponding quarter ended 31.12.2022 RM '000	Current year-to-date ended 31.12.2023 RM '000	Preceding year corresponding year-to-date ended 31.12.2022 RM '000
Revenue	B1	43,020	41,796	166,486	160,974
Operating expenses		(36,752)	(36,429)	(140,971)	(138,373)
Other operating income		1,581	1,251	3,955	2,940
Profit from operations		7,849	6,618	29,470	25,541
Finance costs		(76)	(94)	(336)	(379)
Profit before taxation		7,773	6,524	29,134	25,162
Taxation	B4	(333)	277	(3,742)	(3,324)
Profit for the period		7,440	6,801	25,392	21,838
Other comprehensive income :-					
Items that will not be reclassified to profit or loss					
- Revaluation increase of properties	B5	9,204	-	9,204	-
- Deferred tax effects thereof	B5	(1,474)	-	(1,474)	-
Items that may be reclassified subsequently to profit or loss:-					
- Currency translation of foreign operations		(1,004)	(1,400)	254	489
Other comprehensive income for the period		6,726	-1,400	7,984	489
		14,166	5,401	33,376	22,327
Profit for the financial period attributable to:-					
- Owners of the Company		7,440	6,800	25,392	21,838
- Non-Controlling Interest		-	1	-	-
		7,440	6,801	25,392	21,838
Total comprehensive income for the financial period attributable to:-					
- Owners of the Company		14,166	5,400	33,376	22,327
- Non-Controlling Interest		-	1	-	-
		14,166	5,401	33,376	22,327
Earnings per share (sen) :					
(i) Basic	B10	13.62	12.45	46.49	39.98
(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 4th quarter ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at end of current quarter ended 31.12.2023 RM'000 (unaudited)	As at end of financial year ended 31.12.2022 RM'000 (audited)
Non-Current Assets			
Property, plant and equipment		52,539	37,399
Investment properties		14,640	14,640
Right -of-use assets		7,416	9,592
Goodwill on consolidation		196	196
Other investments		271	269
Deferred tax assets		6	1
		<u>75,068</u>	<u>62,097</u>
Current Assets			
Inventories		12,123	18,897
Trade and other receivables		33,253	31,052
Prepayments		1,593	2,157
Current tax assets		914	479
Cash and bank balances	B11	76,280	55,478
		<u>124,163</u>	<u>108,063</u>
TOTAL ASSETS		<u>199,231</u>	<u>170,160</u>
Non-Current Liabilities			
Lease Liabilities	B7	1,436	1,360
Deferred tax liabilities		6,838	5,296
		<u>8,274</u>	<u>6,656</u>
Current Liabilities			
Trade and other payables		17,398	17,229
Loans and borrowings - secured	B6	2,213	1,776
Lease liabilities	B7	759	906
Current tax liabilities		512	340
		<u>20,882</u>	<u>20,251</u>
TOTAL LIABILITIES		<u>29,156</u>	<u>26,907</u>
Equity			
Equity attributable to owners of the Company			
Share capital		55,339	55,339
Other reserves		114,736	87,914
Equity attributable to owner of the Company		170,075	143,253
Non-controlling interest		-	-
TOTAL EQUITY		<u>170,075</u>	<u>143,253</u>
TOTAL LIABILITIES AND EQUITY		<u>199,231</u>	<u>170,160</u>
Net assets per share attributable to owners of the Company (RM)		3.11	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 4th quarter ended 31 December 2023

Note	-----Non Distributable-----					Retained Profits RM'000	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					
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 financial period	-	-	-	-	21,838	21,838	(7)	21,831	
Total comprehensive income for the period	-	-	-	489	21,838	22,327	(7)	22,320	
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		1,944	-		(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	

MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

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 2023									
Balance as at 1 January 2023	55,339	5,225	13,109	851	68,729	143,253	-	143,253	
Reclassification adjustments on :-									
Revaluation increase of properties	-	-	9,204	-	-	9,204	-	9,204	
Deferred tax effect thereof	-	-	(1,474)	-	-	(1,474)	-	(1,474)	
Changes in currency translation	-	-	-	254	-	254	-	254	
Profit for the period	-	-	-	-	25,392	25,392	-	25,392	
Total comprehensive income for the period	-	-	7,730	254	25,392	33,376	-	33,376	
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	-	2,313	-	-	(2,313)	-	-	-	
Transfer of revaluation surplus	-	-	(625)	-	625	-	-	-	
Balance as at 31 December 2023	55,339	7,538	20,214	1,105	85,879	170,075	-	170,075	

(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 4th quarter ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.12.2023 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2022 RM'000 (audited)
OPERATING ACTIVITIES		
Profit before taxation	29,134	25,162
Adjustments for non-cash flow items:-		
Depreciation	4,684	3,906
Dividend income	(22)	(8)
Fair value gains on financial instruments	(214)	(137)
Gain on disposal of property, plant and equipment	(5)	-
Impairment loss/(gain) on financial assets	61	(82)
Interest expense	336	379
Interest income	(1,626)	(910)
Inventories written down	6	20
Loss on derecognition of financial assets	145	4
Property, plant and equipment written off	-	33
Operating profit before working capital changes	32,499	28,367
Changes in :-		
Inventories	6,768	(1,540)
Receivables	(2,407)	(724)
Prepayments	564	288
Payables	169	129
Cash generated from operations	37,593	26,520
Tax paid	(4,621)	(3,792)
Tax refunded	676	-
Net cash generated from operating activities	33,648	22,728
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,525)	(1,790)
Acquisition of right-of-use assets	(9)	(26)
Dividends received	22	8
Interest received	1,838	1,043
Proceeds from disposal of property, plant and equipment	5	-
Net cash used in investing activities	(5,669)	(765)

MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current year-to-date ended 31.12.2023 RM'000 (unaudited)	Preceding year-to-date ended 31.12.2022 RM'000 (audited)
Cash flows from financing activities		
Capital distribution to non-controlling interests	-	(7)
Dividend paid	(6,554)	(5,462)
Interest paid	(336)	(394)
Net increase/(decrease) in short-term loans and borrowings	436	(3,883)
Payment of lease liabilities	(983)	(1,539)
Placement of term deposits pledged as security	(2,045)	(1,000)
Net cash used in financing activities	(9,482)	(12,285)
Currency translation differences	300	482
Net increase in cash and cash equivalents	18,757	10,160
Cash and cash equivalents brought forward	54,478	44,318
Cash and cash equivalents carried forward	B11 <u>73,235</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 4th quarter ended 31 December 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 December 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 December 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 4th quarter ended 31 December 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 second interim dividend of 6 sen amounting to RM3,277,209 was paid on 12 October 2023 for the financial year ended 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 4th quarter ended 31 December 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 31.12.2023 RM'000	Preceding year corresponding quarter ended 31.12.2022 RM'000	Changes	
			RM'000	%
Revenue	43,020	41,796	1,224	2.9%
Profit before taxation	7,773	6,524	1,249	19.1%

In the fourth quarter ending on 31 December 2023, revenue increased by RM1.2 million or 2.9% as compared to the corresponding quarter of the previous year. The growth in revenue was primarily driven by the increased demand from the solar sector, improving by 6% over the same period of the previous year. However, the E&E sector experienced a contraction of 4% during this period.

Additionally, profit before taxation showed improvement, rising by RM1.2 million or 19.1% compared to the same quarter in the previous year. This increase in profitability can be attributed to the higher revenue and better raw material prices. However, it's worth noting that with the weakening of the ringgit, material prices are expected to rise in the future.

Current Quarter 2023 vs Preceding Quarter

	Current quarter ended 31.12.2023 RM'000	Preceding quarter ended 30.09.2023 RM'000	Changes	
			RM'000	%
Revenue	43,020	41,534	1,486	3.6%
Profit before taxation	7,773	8,200	(427)	-5.2%

For the current quarter, revenue has increased by RM1.5 million or 3.6%, driven by the same factors as compared to the same quarter in the preceding year. However, profit before taxation experienced a slight decline of RM0.4 million or 5.2% due to higher operating expenses incurred in the last quarter of the year.

MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

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

	Current	Preceding	Changes	
	YTD ended	YTD ended	RM'000	%
	31.12.2023	31.12.2022		
	RM'000	RM'000		
Revenue	166,486	160,974	5,512	3.4%
Profit before taxation	29,134	25,162	3,972	15.8%

Year-to-date revenue increased by RM5.5 million, 3.4% and profit before taxation was higher by RM3.9 million or 15.8% mainly due to the higher revenue and lower cost of materials in 2023 compared to 2022.

B2. Prospect 2024

The Group has expanded its customer base to improve diversification and reduce dependency on any particular sector of customers. However, the contributions from these new customers remained relatively modest throughout the year 2023. Efforts to diversify revenue streams will continue, although the solar sector maintains its dominance due to the global expansion of the solar industry. With solar power widely recognized as the most cost-effective method of electricity generation and the increasing emphasis on green energy initiatives worldwide, higher deliveries to our solar sector customers are expected in the year 2024.

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	Current
	quarter ended	year-to-date ended
	31.12.2023	31.12.2023
	RM'000	RM'000
Taxation		
- current year	(346)	(3,732)
- prior year	0	53
Deferred tax		
- current year	8	(68)
- prior year	5	5
	<u>(333)</u>	<u>(3,742)</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 and tax incentives available for certain capital expenditure in 2023.

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For the 4th quarter ended 31 December 2023

B5. Valuation of property, plant and equipment

The freehold land, long leasehold land and buildings were re-valued by independent firms of professional valuers for the respective properties.

The revaluation made was to ascertain the fair value of the Properties for accounting purposes in compliance with the Financial Reporting Standard (FRS) 140 on Investment Properties and FRS 116 on Property, Plant and Equipment and in compliance with the Group's policy to re-value once within 5 years. The last valuation done was in 2018.

No.	Property	Market Value (RM'000)	Revaluation Surplus	Valuer
Properties				
1	Lot No 408, Mukim 7, S.P.S. Penang	23,100	6,313	Nawawi Tie Leung Property Consultants Sdn Bhd
2	Plot No 13 and 14 Mukim 5, S.P.S. Penang	9,350	2,037	
3	Lot 1270, Section 66, Kuching Town Land District, Kuching, Sarawak	12,700	854	VPC Alliance (Sarawak) Sdn Bhd
Investment Properties				
4	Lot 10056 to 10063 Mukim of Parit Buntar, Daerah Krian, Perak	11,000	-	Nawawi Tie Leung Property Consultants Sdn Bhd
5	Office Units 5-3-1 to Office Units 5-3-6, Hunza Complex, Greenlane Heights, Jalan Gangsa, 11600 Penang	3,640	-	

The total revaluation surplus for Properties and the deferred tax effects thereof will not be classified to profit or loss.

B6. Group borrowings as at 31.12.2023**Short term borrowings - Secured**

	RM'000
Banker acceptances	2,213
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The effective interest rates of loans and borrowings as at 31.12.2023 ranged from 4.42% to 5.44% per annum.

MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

B7. Lease Liabilities as at 31.12.2023**Short term lease liabilities - Secured**

	RM'000
Lease liabilities due within one year	<u>760</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>682</u>	<u>754</u>	<u>1,436</u>

The effective interest rates of lease liabilities as at 31.12.2023 ranged from 6.0% to 11.0% per annum.

B8. Litigation

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

B9. Dividend Declared

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

B10. 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 31.12.2023	Current year-to-date ended 31.12.2023
Profit attributable to owners of the parent (RM'000)	7,440	25,392
Number of ordinary shares outstanding	54,620,150	54,620,150
Basic earning per share (sen)	13.62	46.49
Diluted	N/A	N/A

MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

B11. Cash and cash equivalents

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
High liquid investments in money market funds	8,441	8,229
Term deposits	29,505	23,320
Cash and bank balances	38,334	23,929
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	76,280	55,478
Term deposits pledged as security	(3,045)	(1,000)
	<hr/>	<hr/>
	73,235	54,478
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B12. Profit Before Tax Items

	31.12.2023 RM'000	31.12.2023 RM'000
Depreciation	1,256	4,684
Foreign exchange gain	(298)	(762)
Impairment loss/(gain) on other investments	(192)	(214)
Impairment loss on financial assets	(88)	61
Interest expense	76	336
Interest income	(314)	(1,626)
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.

B13. Disclosure of realized and unrealized profits and losses

	Current quarter ended 31.12.2023 RM'000	Preceding year ended 31.12.2022 RM'000
Master-Pack Group Berhad and its subsidiaries :		
- Realised	58,640	43,725
- Unrealised	2,654	418
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	61,294	44,143
Less : Consolidation adjustments	24,585	24,586
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Total Group retained profit	85,879	68,729
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MASTER-PACK GROUP BERHAD (297020-W)

For the 4th quarter ended 31 December 2023

By order of the Board

Lee Peng Loon

P'ng Chiew Keem

Secretaries

Penang

Date: 29 February 2024