



PWF CONSOLIDATED BHD. (420049-H)
(Formerly known as PW Consolidated Bhd.)
(Incorporated in Malaysia)

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2016**



PWF CONSOLIDATED BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2016**

	Quarter ended 31 Mar 2016 (RM'000)	Year ended 31 Dec 2015 (RM'000) (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	282,198	282,807
Investment properties	6,333	6,333
Goodwill	5,241	5,241
	<u>293,772</u>	<u>294,381</u>
Current assets		
Inventories	42,175	57,079
Trade debtors	21,530	22,375
Other debtors, including derivatives	8,911	9,535
Tax recoverable	-	343
Investment securities	6,581	3,283
Fixed deposits with licensed bank	20	20
Cash and bank balances	3,256	5,955
	<u>82,473</u>	<u>98,590</u>
Total assets	<u><u>376,245</u></u>	<u><u>392,971</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	77,779	77,713
Share premium	1,602	1,572
Treasury shares	(4,568)	(4,568)
Retained earnings	65,553	65,911
Other reserves	82,915	83,227
Total equity	<u>223,281</u>	<u>223,855</u>
Non-current liabilities		
Long-term borrowings	29,795	28,956
Deferred taxation	17,239	17,333
Total non-current liabilities	<u>47,034</u>	<u>46,289</u>
Current liabilities		
Trade creditors	39,337	42,685
Other creditors, including derivatives	5,425	9,858
Overdraft and short term borrowings	59,478	68,792
Taxation	1,690	1,492
Total current liabilities	<u>105,930</u>	<u>122,827</u>
Total liabilities	<u>152,964</u>	<u>169,116</u>
Total equity and liabilities	<u><u>376,245</u></u>	<u><u>392,971</u></u>
Net assets per share attributable to shareholders of the company (RM)	3.00	3.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.



PWF CONSOLIDATED BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2016**

	<u>2016</u> Current qtr ended 31-Mar (RM'000)	<u>2015</u> Current qtr ended 31-Mar (RM'000)	<u>2016</u> 3 months cumulative To-date (RM'000)	<u>2015</u> 3 months cumulative To-date (RM'000)
Revenue	83,635	71,653	83,635	71,653
Operating expenses	(76,923)	(65,863)	(76,923)	(65,863)
Other operating income	<u>232</u>	<u>349</u>	<u>232</u>	<u>349</u>
Profit from operations	6,944	6,139	6,944	6,139
Finance costs	(1,626)	(1,631)	(1,626)	(1,631)
Profit before taxation	<u>5,318</u>	<u>4,508</u>	<u>5,318</u>	<u>4,508</u>
Taxation	<u>(1,590)</u>	<u>(1,192)</u>	<u>(1,590)</u>	<u>(1,192)</u>
Profit for the period	3,728	3,316	3,728	3,316
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>3,728</u></u>	<u><u>3,316</u></u>	<u><u>3,728</u></u>	<u><u>3,316</u></u>
Attributable to:				
Equity holders of the parent	3,728	3,316	3,728	3,316
Profit for the period	<u><u>3,728</u></u>	<u><u>3,316</u></u>	<u><u>3,728</u></u>	<u><u>3,316</u></u>
Attributable to:				
Equity holders of the parent	3,728	3,316	3,728	3,316
Comprehensive income for the period	<u><u>3,728</u></u>	<u><u>3,316</u></u>	<u><u>3,728</u></u>	<u><u>3,316</u></u>
Earnings per share for profit attributable to equity holder of the parent				
- Basic (sen), for profit for the period	<u><u>5.02</u></u>	<u><u>4.81</u></u>	<u><u>5.02</u></u>	<u><u>4.81</u></u>
- Diluted (sen)	<u><u>4.99</u></u>	<u><u>4.81</u></u>	<u><u>4.99</u></u>	<u><u>4.81</u></u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.



PWF CONSOLIDATED BHD

**Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2016**

	← Attributable to Equity Holder of the Parent →						Total (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Share (RM'000)	Share Premium (RM'000)	Revaluation Reserve (RM'000)	ESOS Reserve (RM'000)	Retained Profit (RM'000)		
<i>3 months ended 31 March 2016</i>								
Balance as at 1 January 2016	77,713	(4,568)	1,572	82,872	355	65,911	223,855	223,855
Total comprehensive income for the period	-	-	-	(372)	-	4,100	3,728	3,728
Transactions with owners:								
Issued pursuant to ESOS	66	-	30		(20)	-	76	76
Pursuant to ESOS granted - share based compensation	-	-	-	-	80	-	80	80
Dividend	-	-	-	-	-	(4,458)	(4,458)	(4,458)
Balance as at 31 March 2016	<u>77,779</u>	<u>(4,568)</u>	<u>1,602</u>	<u>82,500</u>	<u>415</u>	<u>65,553</u>	<u>223,281</u>	<u>223,281</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Reprint for the year ended 31 December 2015.

**Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2015**

	← Attributable to Equity Holder of the Parent →						Total (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Share (RM'000)	Share Premium (RM'000)	Revaluation Reserve (RM'000)	ESOS Reserve (RM'000)	Retained Profit (RM'000)		
<i>3 months ended 31 March 2015</i>								
Balance as at 1 January 2015	60,911	(4,568)	919	85,536	-	73,323	216,121	216,121
Total comprehensive income for the period	-	-	-	(578)	-	3,894	3,316	3,316
Transactions with owners:								
Bonus issue of shares	11,487	-	(919)	-	-	(10,568)	-	-
Dividend	-	-	-	-	-	(5,514)	(5,514)	(5,514)
Balance as at 31 March 2015	<u>72,398</u>	<u>(4,568)</u>	<u>-</u>	<u>84,958</u>	<u>-</u>	<u>61,135</u>	<u>213,923</u>	<u>213,923</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Reprint for the year ended 31 December 2014.



PWF CONSOLIDATED BHD

Condensed Consolidated Statement of Cash Flows For The Period Ended 31 March 2016

	3 months ended 31 March 2016 (RM'000)	3 months ended 31 March 2015 (RM'000)
Profit before tax	5,318	4,508
Adjustment for :		
Non-Cash items	3,659	2,622
Non-Operating items (which are investing / financing)	1,553	1,530
Operating profit before changes in working capital	<u>10,530</u>	<u>8,660</u>
Changes in working capital		
Net Changes in current assets	16,373	3,654
Net Changes in current liabilities	<u>(7,780)</u>	<u>5,442</u>
	8,593	9,096
Cash generated from operations	<u>19,123</u>	<u>17,756</u>
Tax paid	(1,144)	(1,377)
Interest paid	(1,626)	(1,631)
Net cash from operating activities	<u>16,353</u>	<u>14,748</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	33	57
Proceeds from disposal of investment securities	413	-
Acquisition of investment securities	(4,134)	(800)
Purchase of property, plant and equipment	(505)	(15,062)
Movement in fixed deposits	-	4,672
Rental received	71	51
Interest received	3	18
Net cash used in investing activities	<u>(4,119)</u>	<u>(11,064)</u>
Financing Activities		
Dividends paid	(4,458)	-
Proceeds from issuance of shares	76	-
Bank borrowings	(5,784)	(6,943)
Net cash used in financing activities	<u>(10,166)</u>	<u>(6,943)</u>
Net Change in Cash & Cash Equivalents	2,068	(3,259)
Cash and cash equivalents as at 1 January	<u>(6,604)</u>	<u>(8,779)</u>
Cash and cash equivalents as at 31 March	<u><u>(4,536)</u></u>	<u><u>(12,038)</u></u>
Represented by:		
Cash and bank balances	3,256	2,981
Bank Overdrafts	<u>(7,792)</u>	<u>(15,019)</u>
	<u><u>(4,536)</u></u>	<u><u>(12,038)</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015



PWF CONSOLIDATED BHD. (420049-H)
(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 March 2016

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting and Chapter 9 Part K Para 9.22 of the Bursa Malaysia Listing Requirements.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2015. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

Malaysian Financial Reporting Standards ("MFRS")

The Malaysian Accounting Standards Board ("MASB") had on 19 November 2011 issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") which are mandatory for annual financial periods beginning on or after 1 January 2012 with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture (herein referred to as 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRSs to 1 January 2018. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual period beginning on or after 1 January 2018. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 December 2018.

2. Auditors' Report of the Preceding Annual Financial Statements

There was no qualification on the Group's preceding annual financial statements.

3. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors in this quarter.

4. Unusual Items

There were no items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their size, or incidence.

5. Material Changes in Estimates

There was no material changes in estimates that had any material effect on the quarter and financial year ended 31 March 2016.

6. Debt and Equity Securities, Share Buy-backs, Share Cancellations and Treasury Shares

There was no issuance, cancellations, repurchases resale and repayments of debts and equity security during the period under review except the following:-

- (i) An additional 66,000 new ordinary shares was listed during the period following exercise of ESOS options granted under the FY2015 Employees' Shares Option Scheme.

7. Dividends Paid

During the period under review, the Company paid the following dividends:-

- (i) a first interim single tier dividend of 3 Sen per share amounted to RM2,228,795 in respect of financial year ended 31 December 2015 paid on 5 February 2016.

8. Segmental Reporting

Segmental information has not been prepared due to integrated nature of the Group's poultry business and that it operates wholly in Malaysia.

9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from previous annual financial statements.

10. Subsequent Events

There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period except resale of 302,400 treasury shares to the open market at an average price of RM1.44 per share for a total consideration of RM436,505.

11. Changes in the Composition of the Group

The Company had on 18 February 2016 acquired two (2) ordinary shares of RM1.00 each in PWF Timberhill (“PWF Timberhill”) Sdn Bhd representing 100% of its total issued and paid-up share capital. Subsequent to the acquisition, the Company subscribed to an additional 2,999,998 ordinary shares of RM1.00 each in PWF Timberhill for a cash consideration of RM2,999,998.

12. Contingent Liabilities and Contingent Assets

The corporate guarantees issued by the Company for the banking facilities granted to its subsidiaries totalled RM158.6 million as at the date of issue of this report.

13. Capital Commitments

Capital commitments of the Group as at end of the financial period were as follows :-

	Approved but not contracted for	Approved and contracted for
	RM'000	RM'000
Property, Plant and Equipment	26,137	1,905

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter to 31 March 2016 rose 16.7% to RM83.6 million from RM71.7 million recorded in corresponding period of preceding year. The higher revenue was mainly attributable to increase in sales volume and selling price of broiler during the period.

The Group also attained higher profit before tax ('PBT') at the back of stronger sales volume and selling price of broiler as PBT rose 18.0% to RM5.3 million from RM4.5 million recorded in the corresponding quarter of preceding year.

2. Variation of Results for the Quarter Compared with the Preceding Quarter

Group revenue for the quarter and year to 31 March 2016 was higher by 15.1% at RM83.6 million compared with RM72.7 million in the preceding quarter.

The Group posted a stronger bottom line as it registered a PBT of RM5.3 million compared with loss before tax of RM1.8 million in the preceding quarter. The improved performance was mainly driven by stronger selling price of broiler during the quarter.

3. Commentary on Prospects

The company is confident that the financial result of the Group for financial year 2016 to be favourable despite challenging economic environment.

4. Profit Forecast

Not applicable as the Company has not issued profit forecast or profit guarantee in a public document.

5. Profit for the Period

Profit for the period is arrived at after crediting/ (charging):-

	Current Year To Date 31-3-2016 RM '000	Current Year Quarter 31-3-2016 RM '000
Interest income	2	2
Other Income (including investment income)	139	139
Interest expense	(1,626)	(1,626)
Depreciation and amortization charged	(3,122)	(3,122)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain / (Loss) on disposal of property, plant and equipment	27	27
Profit / (Loss) on disposal of quoted or unquoted investment or properties	27	27
Impairment of assets	(450)	(450)
Foreign exchange gain / (loss)	(260)	(260)
Fair value gain / (loss) on derivative instruments	(286)	(286)
Exceptional items	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2016 RM '000	Preceding Year Corresponding Quarter 31-3-2015 RM '000	Current Year To Date 31-3-2016 RM '000	Preceding Year Corresponding Period 31-3-2015 RM '000
Current Taxation	1,684	1,470	1,684	1,470
Deferred Taxation	(94)	(278)	(94)	(278)
Total	1,590	1,192	1,590	1,192

The Group's effective tax rate for the current quarter and financial period ended 31 March 2016 are inconsistent with the statutory tax rate mainly due to claims of certain tax incentives under the Income Tax Act, 1967, disallowable expenses for tax purpose and losses of certain subsidiaries which cannot be set off against taxable profit made by other subsidiaries.

7. Status of Corporate Proposals Announced but Not Completed

There was no corporate proposal announced that has not been completed as at the date of this report saved for the following :

- 1) The Company entered into a Memorandum Of Understanding ('MOU') with Founder Energy Sdn Bhd on 24 August 2015 to collaborate and work together to build and operate an ecotype biogas electricity plant through joint venture and/or investment scheme. There has been no material development on the status of the MOU since the last announcement on 23 February 2016.

- 2) Multiple Proposals announced on 13 April 2016 as follow:
 - (i) Proposed share split involving the subdivision of one (1) existing ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each ("Subdivided Shares") held by the entitled shareholders on an entitlement date to be determined and announced later;

 - (ii) Proposed bonus issue of up to 47,339,198 Warrants on the basis of three (3) Warrants for every ten (10) Subdivided Shares held by the entitled shareholders on an entitlement date to be determined and announced later;

 - (iii) Proposed increase in authorised share capital from RM100,000,000 comprising 100,000,000 ordinary shares to RM200,000,000 comprising 400,000,000 Subdivided Shares; and

 - (iv) Proposed amendments to the Memorandum and Articles of Association to facilitate the implementation of the Proposed Share Split and the Proposed Increase in Authorised Share Capital.

These proposals have been approved by shareholders at the Extraordinary General Meeting held on 27 May 2016.

8. Borrowings

Group borrowings as at 31 March 2016 are as follows: -

	31-3-2016 RM'000	31-12-2015 RM'000
<i>Short term borrowings</i>		
Secured	20,866	12,139
Unsecured	38,612	56,653
	<u>59,478</u>	<u>68,792</u>
 <i>Long term borrowings</i>		
Secured	29,795	28,956
Unsecured	-	-
	<u>29,795</u>	<u>28,956</u>
	<u>89,273</u>	<u>97,748</u>

All bank borrowings are in Ringgit Malaysia.

9. Material Litigation

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration proceedings, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors do not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

10. Proposed Dividends

The following dividends have been declared and paid :

- (ii) First interim single tier dividend of 3 Sen per share amounted to RM2,228,795 in respect of financial year ended 31 December 2015 declared on 7 January 2016 and paid on 5 February 2016.
- (iii) Second interim single tier dividend of 3 Sen per share amounted to RM2,229,095 in respect of financial year ended 31 December 2015 declared on 29 February 2016 and paid on 1 April 2016.

Total dividends per share declared and paid for financial year 2014 was 8 Sen. Total dividend per share declared for the financial year 2015 was 6 Sen.

11. Earnings/ (Loss) Per Share

The earnings/loss per share, computed by dividing the net profit/(loss) for the period attributable to ordinary shareholders by the number of ordinary shares in issued during the financial year excluding treasury share as follow: -

	Individual Current Year Quarter 31-3-2016	Individual Preceding Year Quarter 31-3-2015 (restated)	Cumulative Current Year To Date 31-3-2016	Cumulative Preceding Year To Date 31-3-2015 (restated)
Basic earnings per share				
Profit/(loss) for the period (RM'000)	3,728	3,316	3,728	3,316
Weighted average number of ordinary shares in issued	74,292,109	68,922,885	74,292,109	68,922,885
Basic earnings/(loss) per share for the period (Sen)	5.02	4.81	5.02	4.81
Diluted earnings per share				
Profit/(loss) for the period (RM'000)	3,728	3,316	3,728	3,316
Weighted average number of ordinary shares in issued (diluted)	74,696,051	68,922,885	74,696,051	68,922,885
Diluted earning per share for the period (Sen)	4.99	4.81	4.99	4.81

12. Realised and Unrealised Profits/Losses

The retained earnings as at 31 March 2016 and 31 December 2015 is analysed as follow:

	As at 31-3-2016	As at 31-12-2015
	RM'000	RM'000
Realised	97,505	97,540
Unrealised	(13,600)	(13,051)
	<hr/> 83,905	<hr/> 84,489
Consolidation adjustments	(18,352)	(18,578)
	<hr/> 65,553	<hr/> 65,911

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 31st day of May 2016