



PWF CONSOLIDATED BHD.
(420049-H)

Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2017

PWF CONSOLIDATED BHD.

Condensed Consolidated Statement of Financial Position
As At 31 March 2017

	Quarter ended 31 Mar 2017 (RM'000)	Year ended 31 Dec 2016 (RM'000) (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	277,453	274,780
Investment properties	8,745	8,745
Intangible assets	5,241	5,241
	<u>291,439</u>	<u>288,766</u>
Current assets		
Inventories	46,802	52,027
Trade receivables	22,416	25,933
Other receivables, deposits and prepayments	9,779	13,965
Tax recoverable	-	5
Investment securities	8,449	7,301
Fixed deposit with a licensed bank	20	20
Cash and bank balances	8,371	7,073
	<u>95,837</u>	<u>106,324</u>
TOTAL ASSETS	<u><u>387,276</u></u>	<u><u>395,090</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	83,512	82,893
Treasury shares	(3,509)	(999)
Share premium	846	751
Other reserves	77,417	78,665
Retained profits	79,814	73,524
Total equity	<u>238,080</u>	<u>234,834</u>
Non-current liabilities		
Borrowings	23,118	24,361
Deferred tax liabilities	15,298	15,306
	<u>38,416</u>	<u>39,667</u>
Current liabilities		
Trade payables	24,908	27,803
Other payables and accruals (incl derivatives)	6,807	9,001
Borrowings	76,374	77,898
Dividend payable	-	3,290
Provision for taxation	2,691	2,597
	<u>110,780</u>	<u>120,589</u>
Total liabilities	<u>149,196</u>	<u>160,256</u>
TOTAL EQUITY AND LIABILITIES	<u><u>387,276</u></u>	<u><u>395,090</u></u>
Net assets per share attributable to owners of the parent (RM)	1.46	1.43

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

PWF CONSOLIDATED BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2017**

	<u>2017</u> Current Qtr Ended 31-Mar (RM'000)	<u>2016</u> Current Qtr Ended 31-Mar (RM'000)	<u>2017</u> 3 months Cumulative To-date (RM'000)	<u>2016</u> 3 months Cumulative To-date (RM'000)
Revenue	83,702	83,635	83,702	83,635
Operating expenses	(76,626)	(76,923)	(76,626)	(76,923)
Other operating income	<u>1,396</u>	<u>232</u>	<u>1,396</u>	<u>232</u>
Profit from operations	8,472	6,944	8,472	6,944
Finance costs	<u>(1,467)</u>	<u>(1,626)</u>	<u>(1,467)</u>	<u>(1,626)</u>
Profit before taxation	7,005	5,318	7,005	5,318
Taxation	<u>(1,963)</u>	<u>(1,590)</u>	<u>(1,963)</u>	<u>(1,590)</u>
Profit for the period	5,042	3,728	5,042	3,728
Other comprehensive income, net of tax:				
Items that will not be reclassified subsequently to profit or loss				
Realisation of revaluation surplus upon depreciation	1,248	372	1,248	372
Transfer of capital reserve to retained profits	(1,248)	(372)	(1,248)	(372)
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period attributable to owners of the parent	<u>5,042</u>	<u>3,728</u>	<u>5,042</u>	<u>3,728</u>
Earnings per share attributable to owners of the parent (Sen)				
- Basic	<u>3.08</u>	<u>2.51</u>	<u>3.08</u>	<u>2.51</u>
- Diluted	<u>2.81</u>	<u>2.50</u>	<u>2.81</u>	<u>2.50</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

PWF CONSOLIDATED BHD

**Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2017**

	← Attributable to Owners of the Parent →						Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Share Premium (RM'000)	Revaluation Reserve (RM'000)	ESOS Reserve (RM'000)	Retained Profits (RM'000)	
<i>3 months ended 31 Mar 2017</i>							
Balance as at 1 January 2017	82,893	(999)	751	78,082	583	73,524	234,834
Total comprehensive income for the period	-	-	-	(1,248)	-	6,290	5,042
Transactions with owners:							
Issued, at premium pursuant to:							
- Exercise of ESOS	619	-	95	-	-	-	714
- Conversion of warrants	-	-	-	-	-	-	-
Repurchase of treasury shares	-	(2,510)	-	-	-	-	(2,510)
Balance as at 31 March 2017	<u>83,512</u>	<u>(3,509)</u>	<u>846</u>	<u>76,834</u>	<u>583</u>	<u>79,814</u>	<u>238,080</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

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

	← Attributable to Owners of the Parent →						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
Total comprehensive income for the period	-	-	-	(372)	-	4,100	3,728
Transactions with owners:							
Issued, at premium pursuant to:							
- Exercise of ESOS	66	-	30	-	(20)	-	76
Pursuant to ESOS granted - Share-based compensation	-	-	-	-	80	-	80
Dividend	-	-	-	-	-	(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>

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

PWF CONSOLIDATED BHD

**Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 March 2017**

	3 months ended 31 Mar 2017 (RM'000)	3 months ended 31 Mar 2016 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,005	5,318
Adjustments for :		
Non-Cash items	3,504	3,659
Non-Operating items	1,423	1,624
Operating profit before working capital changes	<u>11,932</u>	<u>10,601</u>
Decrease in current assets	12,928	16,373
Decrease in current liabilities	(5,101)	(7,780)
Cash generated from operations	<u>19,759</u>	<u>19,194</u>
Income tax paid	(1,964)	(1,144)
Income tax refunded	92	-
Interest paid	(1,467)	(1,626)
Net cash from operating activities	<u>16,420</u>	<u>16,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(8,710)	(4,134)
Acquisition of property, plant and equipment	(6,903)	(505)
Dividend received	44	-
Interest received	-	3
Proceeds from disposal of investment securities	8,740	413
Proceeds from disposal of property, plant and equipment	127	33
Net cash used in investing activities	<u>(6,702)</u>	<u>(4,190)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(3,290)	(4,458)
Net changes in borrowings	3,723	(5,784)
Proceeds from issuance of shares	714	76
Repurchase of treasury shares	(2,510)	-
Net cash used in financing activities	<u>(1,363)</u>	<u>(10,166)</u>
Net Change in Cash & Cash Equivalents	8,355	2,068
Cash and cash equivalents as at 1 January	<u>(5,679)</u>	<u>(6,604)</u>
Cash and cash equivalents as at 31 March	<u><u>2,676</u></u>	<u><u>(4,536)</u></u>
Represented by:		
Cash and bank balances	8,371	3,256
Bank overdrafts	(5,695)	(7,792)
	<u><u>2,676</u></u>	<u><u>(4,536)</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 2016.



PWF CONSOLIDATED BHD. (420049-H)

(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 March 2017

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 2016. 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 2016.

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 period ended 31 March 2017.

6. Debt and Equity Securities

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

- (i) Issuance of 1,187,000 new ordinary shares arising from the exercise of options under Employees' Share Option Scheme at an exercise price of RM0.575 per ordinary share;
- (ii) Issuance of 52,000 new ordinary shares arising from the exercise of options under Employees' Share Option Scheme at an exercise price of RM0.62 per ordinary share;
- (iii) Issuance of 540 new ordinary shares arising from the conversion of warrants at an exercise price of RM0.62 per ordinary share; and
- (iv) Repurchase of 2,855,300 ordinary shares from the open market at an average price of RM0.88 (including transaction costs).

7. Dividend Paid

On 4 January 2017, the Company has paid a second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2016 amounting to RM3,290,106.

8. Segmental Reporting

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

9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has 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 other than the acquisition of 51% equity interest in Syarikat Pemprosesan Jati Mesra Sdn. Bhd. for a cash consideration of RM1 million on 25 May 2017.

11. Changes in the Composition of the Group

There were no changes in the Group composition during the period under review.

12. Contingent Liabilities and Contingent Assets

The Company provides corporate guarantees for banking facilities granted to certain subsidiaries. The total outstanding facilities utilised by the said subsidiaries was RM89.2 million as at the end of the reporting period.

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	42,666	18,176

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter ended 31 March 2017 grew 0.1% from RM83.6 million to RM83.7 million recorded in corresponding period of preceding year. The higher revenue was attributable to increase in selling price of broiler during the quarter.

The Group recorded higher profit before taxation ('PBT') for the quarter as PBT increased to RM7.0 million from RM5.3 million recorded in corresponding period of preceding year. The improved in PBT was mainly due to increase in selling price of broiler.

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

Group revenue and PBT for the quarter ended 31 March 2017 increased by 7.9% and 91.6% to RM83.7 million and RM7.0 million respectively from RM77.6 million and RM3.7 million recorded in the immediate 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 2017 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 31-03-2017 RM '000	Current Year Quarter 31-03-2017 RM '000
Interest income	-	-
Other income (including investment income)	44	44
Interest expense	(1,467)	(1,467)
Depreciation and amortization	(4,666)	(4,666)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	1,178	1,178
Foreign exchange gain	22	22
Fair value loss on derivative instruments	(12)	(12)

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-03-2017 RM '000	31-03-2016 RM '000	31-03-2017 RM '000	31-03-2016 RM '000
Current Taxation	1,971	1,684	1,971	1,684
Deferred Taxation	(8)	(94)	(8)	(94)
Total	1,963	1,590	1,963	1,590

The Group's effective tax rate for the current quarter ended 31 March 2017 is inconsistent with the statutory tax rate mainly due to certain income not subject to tax, 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 were no corporate proposals announced during the financial period to date.

8. Borrowings

Group borrowings as at 31 March 2017 are as follows: -

	31-03-2017 RM'000	31-12-2016 RM'000
<i>Current liabilities</i>		
Secured	7,842	8,131
Unsecured	68,532	69,767
	<u>76,374</u>	<u>77,898</u>
<i>Non-current liabilities</i>		
Secured	23,118	24,361
Unsecured	-	-
	<u>23,118</u>	<u>24,361</u>
	<u>99,492</u>	<u>102,259</u>

All 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 are 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

There was no dividend proposed or declared during the period under review.

11. Earnings Per Share

The earnings per share are computed by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issued during the financial year excluding treasury share.

The diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issued excluding treasury shares after adjustment for all dilutive potential ordinary shares.

	Individual Current Year Quarter 31-03-2017	Individual Preceding Year Quarter 31-03-2016 (Restated) *	Cumulative Current Year To Date 31-03-2017	Cumulative Preceding Year To Date 31-03-2016 (Restated) *
Basic earnings per share				
Profit for the period (RM'000)	5,042	3,728	5,042	3,728
Weighted average number of ordinary shares in issued (in thousands)	163,828	148,584	163,828	148,584
Basic earnings per share for the period (Sen)	<u>3.08</u>	<u>2.51</u>	<u>3.08</u>	<u>2.51</u>
Diluted earnings per share				
Profit for the period (RM'000)	5,043	3,728	5,043	3,728

11. Earnings Per Share (Cont'd)

	Individual Current Year Quarter 31-03-2017	Individual Preceding Year Quarter 31-03-2016 (Restated) *	Cumulative Current Year To Date 31-03-2017	Cumulative Preceding Year To Date 31-03-2016 (Restated) *
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Diluted earnings per share (Cont'd)

Weighted average number of ordinary shares in issued(basic) (in thousands)	163,828	148,584	163,828	148,584
Effect of share options (ESOS)	1,882	808	1,882	808
Effect of warrants	13,994	N/a	13,994	N/a
Weighted average number of ordinary shares in issued (in thousands)	179,704	149,392	179,704	149,392
Diluted earnings per share for the period (Sen)	2.81	2.50	2.81	2.50

* The basic and diluted earnings per ordinary share have been restated to reflect the Share Split exercise in year 2016.

12. Realised and Unrealised Profits/Losses

The retained earnings as at 31 March 2017 and 31 December 2016 are analysed as follows:

	As at 31-03-2017	As at 31-12-2016
	RM'000	RM'000
Realised	98,722	91,315
Unrealised	(10,070)	(9,458)
	<u>88,652</u>	<u>81,857</u>
Consolidation adjustments	(8,838)	(8,333)
	<u>79,814</u>	<u>73,524</u>

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 29th day of May 2017