



PWF CONSOLIDATED BHD.

(420049-H)

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2019**



PWF CONSOLIDATED BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2019**

	31 Mar 2019 (RM'000)	31 Dec 2018 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	336,612	335,337
Investment properties	11,116	11,116
Goodwill	7,612	7,612
	<u>355,340</u>	<u>354,065</u>
Current assets		
Inventories	20,680	27,121
Biological assets	34,974	39,344
Trade debtors	20,821	19,769
Other debtors, including derivatives	13,924	17,889
Tax recoverable	229	225
Investment securities	4,796	5,053
Cash and bank balances	12,929	13,587
	<u>108,353</u>	<u>122,988</u>
Total assets	<u><u>463,693</u></u>	<u><u>477,053</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	88,858	88,858
Treasury shares	(1,622)	(1,622)
Retained profits	222,436	217,338
Other reserves	1,377	1,377
Equity attributable to owner of the Company	<u>311,049</u>	<u>305,951</u>
Non-controlling interest	<u>(4,041)</u>	<u>(3,592)</u>
Total equity	<u>307,008</u>	<u>302,359</u>
Non-current liabilities		
Long-term borrowings	14,440	16,127
Deferred taxation	18,301	21,044
	<u>32,741</u>	<u>37,171</u>
Current liabilities		
Trade creditors	16,435	19,051
Other creditors, including derivatives	4,931	9,374
Overdraft and short term borrowings	101,179	105,308
Taxation	1,399	1,205
Dividend payable	-	2,585
	<u>123,944</u>	<u>137,523</u>
Total liabilities	<u>156,685</u>	<u>174,694</u>
Total equity and liabilities	<u><u>463,693</u></u>	<u><u>477,053</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.80	1.76

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018.



PWF CONSOLIDATED BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 31 March 2019**

	<u>2019</u> Current qtr ended 31-Mar (RM'000)	<u>2018</u> Current qtr ended 31-Mar (RM'000)	<u>2019</u> 3 months cumulative To-date (RM'000)	<u>2018</u> 3 months cumulative To-date (RM'000)
Revenue	94,462	91,135	94,462	91,135
Operating expenses	(90,336)	(82,672)	(90,336)	(82,672)
Other operating income	<u>777</u>	<u>525</u>	<u>777</u>	<u>525</u>
Profit from operations	4,903	8,988	4,903	8,988
Finance costs	(1,458)	(1,395)	(1,458)	(1,395)
Profit before taxation	<u>3,445</u>	<u>7,593</u>	<u>3,445</u>	<u>7,593</u>
Taxation	<u>1,204</u>	<u>(2,129)</u>	<u>1,204</u>	<u>(2,129)</u>
Profit for the period	4,649	5,464	4,649	5,464
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>4,649</u></u>	<u><u>5,464</u></u>	<u><u>4,649</u></u>	<u><u>5,464</u></u>
Attributable to:				
Equity holders of the parent	5,098	6,034	5,098	6,034
Non-controlling interest	(449)	(570)	(449)	(570)
Profit for the period	<u><u>4,649</u></u>	<u><u>5,464</u></u>	<u><u>4,649</u></u>	<u><u>5,464</u></u>
Attributable to:				
Equity holders of the parent	5,098	6,034	5,098	6,034
Non-controlling interest	(449)	(570)	(449)	(570)
Comprehensive income for the period	<u><u>4,649</u></u>	<u><u>5,464</u></u>	<u><u>4,649</u></u>	<u><u>5,464</u></u>
Earnings per share for profit attributable to equity holders of the parent				
- Basic (sen), for profit for the period	<u>2.93</u>	<u>3.52</u>	<u>2.93</u>	<u>3.52</u>
- Diluted (sen)	<u><u>2.77</u></u>	<u><u>3.20</u></u>	<u><u>2.77</u></u>	<u><u>3.20</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 2018.

PWF CONSOLIDATED BHD

Condensed Consolidated Statement of Changes in Equity For The Year Ended 31 March 2019

	← Attributable to Equity Holder of the Parent →						
	Share Capital (RM'000)	Treasury Share (RM'000)	ESOS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
<i>3 months ended 31 March 2019</i>							
Balance as at 1 January 2019	88,858	(1,622)	1,377	217,338	305,951	(3,592)	302,359
Total comprehensive income for the period	-	-	-	5,098	5,098	(449)	4,649
Balance as at 31 March 2019	<u>88,858</u>	<u>(1,622)</u>	<u>1,377</u>	<u>222,436</u>	<u>311,049</u>	<u>(4,041)</u>	<u>307,008</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 2018.

Condensed Consolidated Statement of Changes in Equity For The Year Ended 31 March 2018

	← Attributable to Equity Holder of the Parent →						
	Share Capital (RM'000)	Treasury Share (RM'000)	ESOS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
<i>3 months ended 31 March 2018</i>							
Balance as at 1 January 2018	86,878	(1,192)	737	217,685	304,108	(2,515)	301,593
Total comprehensive income for the period	-	-	-	6,034	6,034	(570)	5,464
Transactions with owners:							
Issued pursuant to ESOS	458	-	(158)	-	300	-	300
Pursuant to ESOS granted - share based compensation	-	-	798	-	798	-	798
Exercise of warrants	1,240	-	-	-	1,240	-	1,240
Purchase of treasury shares	-	(62)	-	-	(62)	-	(62)
Dividend	-	-	-	(2,577)	(2,577)	-	(2,577)
Balance as at 31 March 2018	<u>88,576</u>	<u>(1,254)</u>	<u>1,377</u>	<u>221,142</u>	<u>309,841</u>	<u>(3,085)</u>	<u>306,756</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 2017.

PWF CONSOLIDATED BHD

**Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 March 2019**

	3 months ended 31 Mar 2019 (RM'000)	3 months ended 31 Mar 2018 (RM'000)
Profit before tax	3,445	7,593
Adjustment for :		
Non-Cash items	11,833	6,479
Non-Operating items	2,043	1,147
Operating profit before changes in working capital	17,321	15,219
Changes in working capital		
Net Changes in current assets	6,040	10,144
Net Changes in current liabilities	(7,060)	(5,677)
	(1,020)	4,467
Cash generated from operations	16,301	19,686
Tax paid	(1,349)	(2,019)
Interest paid	(1,459)	(1,395)
Interest received	42	-
Net cash from operating activities	13,535	16,272
Investing Activities		
Proceeds from disposal of investment securities	1,376	4,386
Acquisition of investment securities	(664)	(1,095)
Purchase of property, plant and equipment	(6,511)	(6,756)
Dividend income from investment securities	6	5
Net cash used in investing activities	(5,793)	(3,460)
Financing Activities		
Dividends paid	(2,585)	(2,577)
Purchase of own shares	-	(62)
Proceeds from issuance of shares	-	1,540
Bank borrowings	(5,328)	(2,970)
Net cash from /(used in) financing activities	(7,913)	(4,069)
Net Change in Cash & Cash Equivalents	(171)	8,743
Cash and cash equivalents as at 1 January	7,627	3,106
Cash and cash equivalents as at 31 March	7,456	11,849
Represented by:		
Cash and bank balances	12,929	9,840
Short term deposit with a licensed bank	-	4,000
Bank overdrafts	(5,473)	(1,991)
	7,456	11,849

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018



PWF CONSOLIDATED BHD. *(420049-H)*

(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 March 2019

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 2018. 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 2018.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2018 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1st January 2019. The adoption of these MFRSs and Amendments do not have any material impact to the interim financial statements.

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 2019.

6. Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debts and equity security during the period under review.

7. Dividend Paid

The Company has paid a second interim single tier dividend of 1.50 Sen per ordinary share in respect of the financial year ended 31 December 2018 amounting to RM2,585,429 on 31 January 2019.

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. 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.

10. Changes in the Composition of the Group

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

11. Contingent Liabilities and Contingent Assets

There were no material changes to the contingent liabilities and assets during the reporting period.

12. 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	32,668	5,057

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 31 March 2019 increased to RM94.462 million or 3.7% from RM91.135 million recorded in corresponding quarter of preceding year. The higher revenue was mainly attributable to comparatively higher average selling price of eggs.

The Group recorded Profit before taxation ('PBT') for the quarter of RM3.445 million which is 54.6% lower compared with RM7.593 million recorded in corresponding quarter of preceding year as PBT was affected by changes in fair value of biological assets at the end of the quarter under review.

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

Group revenue for the quarter ended 31 March 2019 rose 4.8% from RM90.135 million in the immediate preceding quarter to RM94.462 million. The higher revenue was mainly attributable to higher selling price of eggs and broiler during the quarter.

The profit before tax recorded for the quarter was RM3.445 million which is 58.9% lower compared with RM8.383 million recorded in the immediate preceding quarter. The lower PBT was mainly due to gain in fair value of biological assets in the immediate preceding quarter.

3. Commentary on Prospects

The Company is optimistic of the financial performance of the Group in the financial year of 2019.

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 Quarter 31-3-2019 RM'000	Current Year To Date 31-3-2019 RM'000
Interest income	42	42
Other income (including investment income)	727	727
Interest expense	(1,458)	(1,458)
Depreciation and amortization	(5,236)	(5,236)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investments or properties	(632)	(632)
Foreign exchange gain	8	8
Fair value loss on derivative instruments	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2019 RM'000	Preceding Year Corresponding Quarter 31-3-2018 RM'000	Current Year To Date 31-3-2019 RM'000	Preceding Year Corresponding Period 31-3-2018 RM'000
Current Taxation	1,539	2,964	1,539	2,964
Deferred Taxation	(2,743)	(835)	(2,743)	(835)
Total	(1,204)	2,129	(1,204)	2,129

The Group's effective tax rate for the current quarter ended 31 March 2019 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 2019 are as follows: -

	31-3-2019 RM'000	31-12-2018 RM'000
<i>Current liabilities</i>		
Secured	7,853	6,933
Unsecured	<u>93,326</u>	<u>98,375</u>
	101,179	105,308
<i>Non-current liabilities</i>		
Secured	14,440	16,127
	<u>115,619</u>	<u>121,435</u>

All borrowings are in Ringgit Malaysia.

9. Material Litigation

There has been no major development in the outstanding material litigation.

10. Proposed Dividends

There has been no dividend proposed during the quarter 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 period 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 31-3-2019	Individual Preceding Year Quarter 31-3-2018	Cumulative Current Year To Date 31-3-2019	Cumulative Preceding Year To Date 31-3-2018
Basic earnings per share				
Profit for the period (RM'000)	5,098	6,034	5,098	6,034
Weighted average number of ordinary shares in issued (in thousands)	173,946	171,403	173,946	171,403
Basic earnings per share for the period (Sen)	2.93	3.52	2.93	3.52

Diluted earnings per share

Profit for the period (RM'000)	5,098	6,034	5,098	6,034
Weighted average number of ordinary shares in issued(basic) (in thousands)	173,946	171,403	173,946	171,403
Effect of share options (ESOS)	209	1,232	209	1,232
Effect of warrants	9,557	15,928	9,557	15,928
Weighted average number of ordinary shares in issued (in thousands)	183,712	188,563	183,712	188,563
Diluted earnings per share for the period (Sen)	2.77	3.20	2.77	3.20

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 31st day of May 2019