



PWF CORPORATION BHD.

(199701004553) (420049-H)

(Formerly Known As PWF CONSOLIDATED BHD.)

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2020**



PWF CORPORATION BHD.
(Formerly known as PWF Consolidated Bhd.)

Condensed Consolidated Statement of Financial Position
As At 31 March 2020

	31 Mar 2020 (RM'000)	31 Dec 2019 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	354,443	353,499
Investment properties	38,365	38,365
Goodwill	7,612	7,612
	<u>400,420</u>	<u>399,476</u>
Current assets		
Inventories	31,752	25,016
Biological assets	40,093	46,565
Trade receivables	21,091	19,673
Other receivables, deposits and prepayments	14,474	14,148
Tax recoverable	3,420	2,814
Investment securities	7,076	5,162
Short term placement with a financial institution	-	10,504
Cash and cash equivalents	10,532	10,328
	<u>128,438</u>	<u>134,210</u>
Total assets	<u><u>528,858</u></u>	<u><u>533,686</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	88,858	88,858
Treasury shares	(1,622)	(1,622)
Retained profits	216,237	220,211
Other reserves	1,334	1,334
Equity attributable to owner of the Company	<u>304,807</u>	<u>308,781</u>
Non-controlling interest	<u>(4,139)</u>	<u>(4,265)</u>
Total equity	<u>300,668</u>	<u>304,516</u>
Non-current liabilities		
Long term borrowings	46,789	48,051
Deferred taxation	20,021	21,414
	<u>66,810</u>	<u>69,465</u>
Current liabilities		
Trade payables	40,217	28,226
Other payables and accruals, including derivatives	7,984	12,363
Overdraft and short term borrowings	113,179	117,391
Taxation	-	1
Dividend payable	-	1,724
	<u>161,380</u>	<u>159,705</u>
Total liabilities	<u>228,190</u>	<u>229,170</u>
Total equity and liabilities	<u><u>528,858</u></u>	<u><u>533,686</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.75	1.79

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.



PWF CORPORATION BHD.
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**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 31 March 2020**

	<u>2020</u> Current qtr ended 31-Mar (RM'000)	<u>2019</u> Current qtr ended 31-Mar (RM'000)	<u>2020</u> 3 months cumulative To-date (RM'000)	<u>2019</u> 3 months cumulative To-date (RM'000)
Revenue	88,368	94,462	88,368	94,462
Operating expenses	(92,327)	(90,336)	(92,327)	(90,336)
Other operating income	<u>926</u>	<u>735</u>	<u>926</u>	<u>735</u>
(Loss)/Profit from operations	(3,033)	4,861	(3,033)	4,861
Finance income	13	42	13	42
Finance costs	<u>(1,681)</u>	<u>(1,458)</u>	<u>(1,681)</u>	<u>(1,458)</u>
(Loss)/Profit before taxation	(4,701)	3,445	(4,701)	3,445
Taxation	<u>853</u>	<u>1,204</u>	<u>853</u>	<u>1,204</u>
(Loss)/Profit for the period	(3,848)	4,649	(3,848)	4,649
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the period	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>
Attributable to:				
Equity holders of the parent	(3,974)	5,098	(3,974)	5,098
Non-controlling interest	126	(449)	126	(449)
(Loss)/Profit for the period	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>
Attributable to:				
Equity holders of the parent	(3,974)	5,098	(3,974)	5,098
Non-controlling interest	126	(449)	126	(449)
Comprehensive (loss)/income for the period	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>	<u><u>(3,848)</u></u>	<u><u>4,649</u></u>
(Loss)/Earnings per share attributable to equity holders of the parent				
- Basic (sen)	<u><u>(2.28)</u></u>	<u><u>2.93</u></u>	<u><u>(2.28)</u></u>	<u><u>2.93</u></u>
- Diluted (sen)	<u><u>(2.28)</u></u>	<u><u>2.77</u></u>	<u><u>(2.28)</u></u>	<u><u>2.77</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 2019.



PWF CORPORATION BHD
(Formerly known as PWF Consolidated Bhd.)

Condensed Consolidated Statement of Changes in Equity
For The Year Ended 31 March 2020

← Attributable to Equity Holders 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 2020</i>							
Balance as at 1 January 2020	88,858	(1,622)	1,334	220,211	308,781	(4,265)	304,516
Total comprehensive loss for the period	-	-	-	(3,974)	(3,974)	126	(3,848)
Balance as at 31 March 2020	<u>88,858</u>	<u>(1,622)</u>	<u>1,334</u>	<u>216,237</u>	<u>304,807</u>	<u>(4,139)</u>	<u>300,668</u>

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

← Attributable to Equity Holders 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 2019.



PWF CORPORATION BHD.
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Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 March 2020

	3 months ended 31 Mar 2020 (RM'000)	3 months ended 31 Mar 2019 (RM'000)
(Loss)/Profit before tax	(4,701)	3,445
Adjustment for :		
Non-Cash items	9,954	11,833
Non-Operating items	2,566	2,043
Operating profit before changes in working capital	<u>7,819</u>	<u>17,321</u>
Changes in working capital		
Net Changes in current assets	(7,295)	6,040
Net Changes in current liabilities	<u>7,612</u>	<u>(7,060)</u>
	317	(1,020)
Cash generated from operations	<u>8,136</u>	<u>16,301</u>
Tax paid	(1,147)	(1,349)
Interest paid	(1,685)	(1,459)
Interest received	13	42
Net cash from operating activities	<u>5,317</u>	<u>13,535</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	34	-
Proceeds from disposal of investment securities	16,349	1,376
Acquisition of investment securities	(20,261)	(664)
Purchase of property, plant and equipment	(4,545)	(6,511)
Dividend income from investment securities	4	6
Net cash used in investing activities	<u>(8,419)</u>	<u>(5,793)</u>
Financing Activities		
Dividends paid	(1,724)	(2,585)
Bank borrowings	(7,535)	(5,328)
Net cash used in financing activities	<u>(9,259)</u>	<u>(7,913)</u>
Net Change in Cash & Cash Equivalents	(12,361)	(171)
Cash and cash equivalents as at 1 January	<u>18,939</u>	<u>7,627</u>
Cash and cash equivalents as at 31 March	<u><u>6,578</u></u>	<u><u>7,456</u></u>
Represented by:		
Cash and bank balances	10,532	12,929
Bank overdrafts	<u>(3,954)</u>	<u>(5,473)</u>
	<u><u>6,578</u></u>	<u><u>7,456</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 2019.



PWF CORPORATION BHD. (199701004553) (420049-H)

(Formerly known as PWF Consolidated Bhd.)

(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 March 2020

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 2019. 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 2019.

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 2019 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1st January 2020. 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 2020.

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 1.00 Sen per ordinary share for financial year ended 31 December 2019 amounting to RM1,723,616 on 6 January 2020.

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

During the quarter and year ended 31 March 2020, there have been no changes to the composition of the Group.

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	25,714	4,259

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

The Group recorded lower revenue for the quarter and year ended 31 March 2020 at RM88.368 million compared with RM94.462 million for the corresponding period of preceding year, representing a drop of 6.5%. The lower revenue was mainly due to comparatively lower average selling price of broiler and eggs during the period.

Due to adverse impact of lower selling price of broiler, the Group posted loss before taxation of RM4.701 million compared with profit before tax of RM3.445 million recorded in the corresponding quarter of preceding year.

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

Group revenue for quarter and year to 31 March 2020 was higher by 5.2% when compared with immediate preceding quarter. The Group recorded total revenue of RM88.368 million compared with RM84.032 million of immediate preceding quarter. The increase was attributable to higher average selling price of broiler during the quarter.

Loss before tax of RM4.701 million during the quarter under review was higher by 0.4% compared with loss of RM4.683 million recorded in the immediate preceding quarter. The weaker performance was attributable to changes in fair value of biological assets during the quarter.

3. Commentary on Prospects

The Company foresees a more challenging business environment in FY2020 as fallout from COVID-19 epidemic impacting on consumer demand. The Company has since taken proactive measures to cushion the impact and adapt to the new environment post-pandemic.

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 31-3-2020 RM'000	Current Year To Date 31-3-2020 RM'000
Interest income	13	13
Other income (including investment income)	172	172
Interest expense	(1,681)	(1,681)
Depreciation and amortization	(3,581)	(3,581)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investments or properties	(898)	(898)
Foreign exchange gain	526	526
Fair value loss on derivative instruments	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2020 RM'000	Preceding Year Corresponding Quarter 31-3-2019 RM'000	Current Year To Date 31-3-2020 RM'000	Preceding Year Corresponding Period 31-3-2019 RM'000
Current Taxation	540	1,539	540	1,539
Deferred Taxation	(1,393)	(2,743)	(1,393)	(2,743)
Total	(853)	(1,204)	(853)	(1,204)

The Group's effective tax rate for the current quarter ended 31 March 2020 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 2020 are as follows: -

	31-3-2020 RM'000	31-12-2019 RM'000
<i>Current liabilities</i>		
Secured	10,450	9,267
Unsecured	102,729	108,124
	<u>113,179</u>	<u>117,391</u>
<i>Non-current liabilities</i>		
Secured	44,809	45,936
Unsecured	1,980	2,115
	<u>46,789</u>	<u>48,051</u>
	<u>159,968</u>	<u>165,442</u>

All borrowings are in Ringgit Malaysia.

9. Material Litigation

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

10. Proposed Dividends

The Company has not proposed any dividend since the date of last quarterly report.

11. Earnings Per Share

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

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

	Individual Current Year Quarter 31-3-2020	Individual Preceding Year Quarter 31-3-2019	Cumulative Current Year To Date 31-3-2020	Cumulative Preceding Year To Date 31-3-2019
Basic earnings per share				
(Loss) / Profit for the period (RM'000)	(3,974)	5,098	(3,974)	5,098
Weighted average number of ordinary shares in issue (in thousands)	173,946	173,946	173,946	173,946
Basic (loss)/earnings per share for the period (Sen)	(2.28)	2.93	(2.28)	2.93
Diluted earnings per share				
(Loss) / Profit for the period (RM'000)	(3,974)	5,098	(3,974)	5,098
Weighted average number of ordinary shares in issue (basic) (in thousands)	173,946	173,946	173,946	173,946
Effect of share options (ESOS)	59	209	59	209
Effect of warrants	627	9,557	627	9,557
Weighted average number of ordinary shares in issue (in thousands)	174,632	183,712	174,632	183,712
Diluted (loss)/earnings per share for the period (Sen)	(2.28)	2.77	(2.28)	2.77

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 29th day of June 2020