



PWF CORPORATION BHD.

(199701004553) (420049-H)

(Formerly Known As PWF CONSOLIDATED BHD.)

**Condensed Consolidated Financial Statements
for the Quarter Ended 30 September 2020**



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

Condensed Consolidated Statement of Financial Position
As At 30 September 2020

	30 Sep 2020 (RM'000)	31 Dec 2019 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	354,011	353,499
Investment properties	38,365	38,365
Goodwill	7,612	7,612
	<u>399,988</u>	<u>399,476</u>
Current assets		
Inventories	21,260	25,016
Biological assets	42,005	46,565
Trade receivables	16,114	19,673
Other receivables, deposits and prepayments	15,735	14,148
Tax recoverable	3,335	2,814
Investment securities	3,041	5,162
Short term placement with a financial institution	7	10,504
Cash and cash equivalents	13,046	10,328
	<u>114,543</u>	<u>134,210</u>
Total assets	<u>514,531</u>	<u>533,686</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	88,858	88,858
Treasury shares	(1,622)	(1,622)
Retained profits	216,832	220,211
Other reserves	-	1,334
Equity attributable to owner of the Company	<u>304,068</u>	<u>308,781</u>
Non-controlling interest	<u>(4,225)</u>	<u>(4,265)</u>
Total equity	<u>299,843</u>	<u>304,516</u>
Non-current liabilities		
Long term borrowings	46,490	48,051
Deferred taxation	19,929	21,414
	<u>66,419</u>	<u>69,465</u>
Current liabilities		
Trade payables	30,165	28,226
Other payables and accruals	6,642	12,363
Overdraft and short term borrowings	110,401	117,391
Taxation	1,061	1
Dividend payable	-	1,724
	<u>148,269</u>	<u>159,705</u>
Total liabilities	<u>214,688</u>	<u>229,170</u>
Total equity and liabilities	<u>514,531</u>	<u>533,686</u>
Net assets per share attributable to shareholders of the company (RM)	1.76	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.

(Formerly known as PWF Consolidated Bhd.)

**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 30 September 2020**

	<u>2020</u> Current qtr ended 30-Sep (RM'000)	<u>2019</u> Current qtr ended 30-Sep (RM'000)	<u>2020</u> 9 months cumulative To-date (RM'000)	<u>2019</u> 9 months cumulative To-date (RM'000)
Revenue	80,142	105,891	233,740	281,221
Operating expenses	(75,247)	(97,335)	(235,447)	(265,291)
Other operating income	<u>286</u>	<u>213</u>	<u>1,675</u>	<u>1,205</u>
Profit/(Loss) from operations	5,181	8,769	(32)	17,135
Finance income	16	27	54	62
Finance costs	(1,068)	(1,394)	(4,485)	(4,252)
Profit/(Loss) before taxation	4,129	7,402	(4,463)	12,945
Taxation	<u>(188)</u>	<u>(2,652)</u>	<u>(210)</u>	<u>(2,902)</u>
Profit/(Loss) for the period	3,941	4,750	(4,673)	10,043
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period	<u><u>3,941</u></u>	<u><u>4,750</u></u>	<u><u>(4,673)</u></u>	<u><u>10,043</u></u>
Attributable to:				
Equity holders of the parent	3,998	5,104	(4,713)	10,802
Non-controlling interest	(57)	(354)	40	(759)
Profit/(Loss) for the period	<u><u>3,941</u></u>	<u><u>4,750</u></u>	<u><u>(4,673)</u></u>	<u><u>10,043</u></u>
Attributable to:				
Equity holders of the parent	3,998	5,104	(4,713)	10,802
Non-controlling interest	(57)	(354)	40	(759)
Comprehensive income/(loss) for the period	<u><u>3,941</u></u>	<u><u>4,750</u></u>	<u><u>(4,673)</u></u>	<u><u>10,043</u></u>
Earnings/(Loss) per share attributable to equity holders of the parent				
- Basic (sen)	<u>2.32</u>	<u>2.96</u>	<u>(2.73)</u>	<u>6.27</u>
- Diluted (sen)	<u>2.32</u>	<u>2.83</u>	<u>(2.73)</u>	<u>5.96</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
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Condensed Consolidated Statement of Changes in Equity
For The Year Ended 30 September 2020

← Attributable to Equity Holders of the Parent →

	Share Capital (RM'000)	Treasury Shares (RM'000)	ESOS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
<i>9 months ended 30 September 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)/income for the period	-	-	-	(4,713)	(4,713)	40	(4,673)
Transactions with owners:							
Pursuant to ESOS granted - lapse due to expiry	-	-	(1,334)	1,334	-	-	-
Balance as at 30 September 2020	<u>88,858</u>	<u>(1,622)</u>	<u>-</u>	<u>216,832</u>	<u>304,068</u>	<u>(4,225)</u>	<u>299,843</u>

Condensed Consolidated Statement of Changes in Equity
For The Year Ended 30 September 2019

← Attributable to Equity Holders of the Parent →

	Share Capital (RM'000)	Treasury Shares (RM'000)	ESOS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
<i>9 months ended 30 September 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/(loss) for the period	-	-	-	10,802	10,802	(759)	10,043
Transactions with owners:							
Dividend	-	-	-	(1,724)	(1,724)	-	(1,724)
Balance as at 30 September 2019	<u>88,858</u>	<u>(1,622)</u>	<u>1,377</u>	<u>226,416</u>	<u>315,029</u>	<u>(4,351)</u>	<u>310,678</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 30 September 2020

	9 months ended 30 Sep 2020	9 months ended 30 Sep 2019
	(RM'000)	(RM'000)
(Loss)/Profit before tax	(4,463)	12,945
Adjustment for :		
Non-Cash items	10,669	24,396
Non-Operating items	5,154	4,676
Operating profit before changes in working capital	<u>11,360</u>	<u>42,017</u>
Changes in working capital		
Net Changes in current assets	10,080	(16,584)
Net Changes in current liabilities	<u>(3,783)</u>	<u>9,642</u>
	6,297	(6,942)
Cash generated from operations	<u>17,657</u>	<u>35,075</u>
Tax paid	(1,154)	(5,146)
Interest paid	(4,341)	(4,252)
Interest received	54	62
Net cash from operating activities	<u>12,216</u>	<u>25,739</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	45	78
Proceeds from disposal of investment securities	47,097	4,869
Acquisition of investment securities	(45,582)	(5,446)
Purchase of property, plant and equipment	(11,366)	(19,722)
Dividend income from investment securities	86	61
Net cash used in investing activities	<u>(9,720)</u>	<u>(20,160)</u>
Financing Activities		
Dividends paid	(1,725)	(2,585)
Bank borrowings	(6,950)	16,495
Net cash (used in)/from financing activities	<u>(8,675)</u>	<u>13,910</u>
Net Change in Cash & Cash Equivalents	(6,179)	19,489
Cash and cash equivalents as at 1 January	18,939	7,627
Cash and cash equivalents as at 30 September	<u>12,760</u>	<u>27,116</u>
Represented by:		
Cash and bank balances	13,046	17,866
Short term placement with a financial institution	7	12,519
Bank overdrafts	(293)	(3,269)
	<u>12,760</u>	<u>27,116</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 30 September 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 1 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 30 September 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 30 September 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	24,684	2,770

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

The Group recorded revenue of RM80.142 million and RM233.74 million for the quarter and year ended 30 September 2020 which were lower by 24.3% and 16.9% respectively compared to RM105.891 million and RM281.221 million for the corresponding periods of preceding year. The weaker performance was mainly due to lower sales volume and selling price of broiler as demand dropped during implementation of movement control order (MCO). In addition, Group revenue was also affected by lower selling price of eggs during the period.

The Group posted profit before taxation of RM4.129 million for the quarter under review, representing decrease of 44.2% compared to RM7.402 million recorded in the corresponding period of preceding year. The lower profit was mainly due to lower selling price of broiler and eggs during the quarter.

The Group recorded loss before tax of RM4.463 million for the cumulative quarters to 30 September 2020 compared to profit of RM12.945 million posted in the corresponding period of preceding year as performance was mainly affected by lower sales volume of broiler especially during the quarter ended 30 June 2020 which was most affected by the MCO, and also comparatively lower selling price of eggs.

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

Group revenue for quarter to 30 September 2020 increased 22.9% from RM65.230 million recorded in the immediate preceding quarter to RM80.142 million as sales volume and selling price of broiler picked up subsequent to the relaxation of movement control.

The Group returned to profit with RM4.129 million profits before tax recorded in the quarter under review, up from loss before tax of RM4.091 million in the immediate preceding quarter. The improved result was attributable to higher sales volume of broiler and eggs and better margin from higher selling price of broiler.

3. Commentary on Prospects

The Company foresees a more challenging business environment in FY2020 as fallout from COVID-19 epidemic has had an adverse impact on consumer demand. The Company has since taken proactive measures to cushion the impact and adapt to the new environment resulted from the 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 30-9-2020 RM'000	Current Year To Date 30-9-2020 RM'000
Interest income	16	54
Other income (including investment income)	44	770
Interest expense	(1,068)	(4,485)
Depreciation and amortization	(3,620)	(10,775)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments or properties	65	(954)
Foreign exchange gain	242	905
Fair value loss on derivative instruments	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30-9-2020 RM'000	Preceding Year Corresponding Quarter 30-9-2019 RM'000	Current Year To Date 30-9-2020 RM'000	Preceding Year Corresponding Period 30-9-2019 RM'000
Current Taxation	457	1,508	1,695	3,106
Deferred Taxation	(269)	1,144	(1,485)	(204)
Total	188	2,652	210	2,902

The Group's effective tax rate for the current quarter ended 30 September 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

The Company has on 7 August 2020 proposed the establishment of an Employees' Share Scheme ("ESS") of up to 15% of the total issued share capital of the Company excluding treasury shares at any point in time during the duration of the scheme for eligible Directors and employees of the Company and its subsidiaries.

The proposed ESS has been subsequently approved by the shareholders at the Extraordinary General Meeting held on 24 September 2020.

8. Borrowings

Group borrowings as at 30 September 2020 are as follows: -

	30-9-2020 RM'000	31-12-2019 RM'000
<i>Current liabilities</i>		
Secured	28,496	9,267
Unsecured	81,905	108,124
	<u>110,401</u>	<u>117,391</u>
<i>Non-current liabilities</i>		
Secured	44,780	45,936
Unsecured	1,710	2,115
	<u>46,490</u>	<u>48,051</u>
	<u>156,891</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.

	Current Year Quarter 30-9-2020	Preceding Year Quarter 30-9-2019	Current Year To Date 30-9-2020	Preceding Year To Date 30-9-2019
Basic earnings per share				
Profit/(Loss) for the period (RM'000)	3,998	5,104	(4,713)	10,802
Weighted average number of ordinary shares in issue (in thousands)	172,362	172,362	172,362	172,362
Basic earnings/(loss) per share for the period (Sen)	2.32	2.96	(2.73)	6.27
Diluted earnings per share				
Profit/(Loss) for the period (RM'000)	3,998	5,104	(4,713)	10,802
Weighted average number of ordinary shares in issue (basic) (in thousands)	172,362	172,362	172,362	172,362
Effect of share options (ESOS)	-	185	-	196
Effect of warrants	-	8,117	-	8,807
Weighted average number of ordinary shares in issue (in thousands)	172,362	180,664	172,362	181,365
Diluted earnings/(loss) per share for the period (Sen)	2.32	2.83	(2.73)	5.96

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of November 2020