



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

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



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 December 2020**

	31 Dec 2020 (RM'000)	31 Dec 2019 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	350,537	353,499
Investment properties	46,330	38,365
Goodwill	7,612	7,612
	<u>404,479</u>	<u>399,476</u>
Current assets		
Inventories	21,185	25,016
Biological assets	46,287	46,565
Trade receivables	16,103	19,673
Other receivables, deposits and prepayments	13,992	14,148
Tax recoverable	3,369	2,814
Investment securities	2,194	5,162
Short term placement with a financial institution	13,021	10,504
Cash and cash equivalents	11,799	10,328
	<u>127,950</u>	<u>134,210</u>
Total assets	<u><u>532,429</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	222,966	220,211
Other reserves	1,747	1,334
Equity attributable to owner of the Company	<u>311,949</u>	<u>308,781</u>
Non-controlling interest	<u>(4,294)</u>	<u>(4,266)</u>
Total equity	<u>307,655</u>	<u>304,515</u>
Non-current liabilities		
Long term borrowings	42,959	48,051
Deferred taxation	19,493	21,414
	<u>62,452</u>	<u>69,465</u>
Current liabilities		
Trade payables	29,018	28,226
Other payables and accruals	8,199	12,364
Overdraft and short term borrowings	124,787	117,391
Taxation	318	1
Dividend payable	-	1,724
	<u>162,322</u>	<u>159,706</u>
Total liabilities	<u>224,774</u>	<u>229,171</u>
Total equity and liabilities	<u><u>532,429</u></u>	<u><u>533,686</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.81	1.79



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 31 December 2020**

	2020 Current qtr ended 31-Dec (RM'000)	2019 Current qtr ended 31-Dec (RM'000)	2020 12 months cumulative To-date (RM'000)	2019 12 months cumulative To-date (RM'000)
Revenue	82,234	84,033	315,974	365,254
Operating expenses	(79,782)	(88,150)	(315,229)	(353,441)
Other operating income	<u>5,528</u>	<u>1,135</u>	<u>7,203</u>	<u>2,340</u>
Profit/(Loss) from operations	7,980	(2,982)	7,948	14,153
Finance income	50	42	104	104
Finance costs	<u>(1,856)</u>	<u>(1,743)</u>	<u>(6,341)</u>	<u>(5,995)</u>
Profit/(Loss) before taxation	6,174	(4,683)	1,711	8,262
Taxation	<u>(111)</u>	<u>243</u>	<u>(321)</u>	<u>(2,659)</u>
Profit/(Loss) for the period	6,063	(4,440)	1,390	5,603
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period	<u><u>6,063</u></u>	<u><u>(4,440)</u></u>	<u><u>1,390</u></u>	<u><u>5,603</u></u>
Attributable to:				
Equity holders of the parent	6,131	(4,525)	1,418	6,277
Non-controlling interest	(68)	85	(28)	(674)
Profit/(Loss) for the period	<u><u>6,063</u></u>	<u><u>(4,440)</u></u>	<u><u>1,390</u></u>	<u><u>5,603</u></u>
Attributable to:				
Equity holders of the parent	6,131	(4,525)	1,418	6,277
Non-controlling interest	(68)	85	(28)	(674)
Comprehensive income/(loss) for the period	<u><u>6,063</u></u>	<u><u>(4,440)</u></u>	<u><u>1,390</u></u>	<u><u>5,603</u></u>
Earnings/(Loss) per share attributable to equity holders of the parent				
- Basic (sen)	<u><u>3.56</u></u>	<u><u>(2.63)</u></u>	<u><u>0.82</u></u>	<u><u>3.64</u></u>
- Diluted (sen)	<u><u>3.50</u></u>	<u><u>(2.53)</u></u>	<u><u>0.81</u></u>	<u><u>3.47</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

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

← Attributable to Equity Holders of the Parent →

	Share Capital (RM'000)	Treasury Shares (RM'000)	ESOS/ESS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total Equity (RM'000)
<i>12 months ended 31 December 2020</i>							
Balance as at 1 January 2020	88,858	(1,622)	1,334	220,211	308,781	(4,266)	304,515
Total comprehensive income/(loss) for the period	-	-	-	1,418	1,418	(28)	1,390
Transactions with owners:							
Pursuant to ESOS/ESS granted							
- Share based compensation	-	-	1,750	-	1,750	-	1,750
- Lapse due to resignation	-	-	(3)	3	-	-	-
- Lapse due to expiry	-	-	(1,334)	1,334	-	-	-
Balance as at 31 December 2020	<u>88,858</u>	<u>(1,622)</u>	<u>1,747</u>	<u>222,966</u>	<u>311,949</u>	<u>(4,294)</u>	<u>307,655</u>

Condensed Consolidated Statement of Changes in Equity For The Year Ended 31 December 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>12 months ended 31 December 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	-	-	-	6,277	6,277	(674)	5,603
Transactions with owners:							
Pursuant to ESOS granted							
- Lapse due to expiry	-	-	(43)	43	-	-	-
Dividend	-	-	-	(3,447)	(3,447)	-	(3,447)
Balance as at 31 December 2019	<u>88,858</u>	<u>(1,622)</u>	<u>1,334</u>	<u>220,211</u>	<u>308,781</u>	<u>(4,266)</u>	<u>304,515</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.

**Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 December 2020**

	12 months ended 31 Dec 2020 (RM'000)	12 months ended 31 Dec 2019 (RM'000)
Profit before tax	1,711	8,262
Adjustment for :		
Non-Cash items	10,140	12,883
Non-Operating items	9,671	5,833
Operating profit before changes in working capital	<u>21,522</u>	<u>26,978</u>
Changes in working capital		
Net Changes in current assets	7,993	7,150
Net Changes in current liabilities	<u>(3,373)</u>	<u>12,128</u>
	4,620	19,278
Cash generated from operations	<u>26,142</u>	<u>46,256</u>
Tax paid	(2,479)	(6,082)
Interest paid	(6,341)	(5,995)
Interest received	104	104
Net cash from operating activities	<u>17,426</u>	<u>34,283</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	50	78
Proceeds from disposal of investment securities	51,198	6,491
Acquisition of investment properties	-	(27,325)
Acquisition of investment securities	(50,809)	(6,288)
Purchase of property, plant and equipment	(14,543)	(37,739)
Dividend income from investment securities	<u>86</u>	<u>115</u>
Net cash used in investing activities	<u>(14,018)</u>	<u>(64,668)</u>
Financing Activities		
Dividends paid	(1,724)	(4,310)
Bank borrowings	<u>3,809</u>	<u>46,007</u>
Net cash from financing activities	<u>2,085</u>	<u>41,697</u>
Net Change in Cash & Cash Equivalents	5,493	11,312
Cash and cash equivalents as at 1 January	<u>18,939</u>	<u>7,627</u>
Cash and cash equivalents as at 31 December	<u><u>24,432</u></u>	<u><u>18,939</u></u>
Represented by:		
Cash and bank balances	11,799	10,328
Short term placement with a financial institution	13,021	10,504
Bank overdrafts	<u>(388)</u>	<u>(1,893)</u>
	<u><u>24,432</u></u>	<u><u>18,939</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)
(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 December 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 31 December 2020.

6. Debt and Equity Securities

There was no other issuance, cancellations, repurchases, resale and repayments of debts and equity security up to the date of this report except the issuance of 161,800 new ordinary shares arising from the exercise of options under Employees' Share Scheme at an exercise price of RM0.406 per ordinary share.

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 December 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	24,119	2,694

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

The Group recorded lower revenue of RM82.234 million and RM315.974 million for the quarter and year ended 31 December 2020 as revenue dropped 2.1% and 13.5% respectively from RM84.033 million and RM365.254 million recorded in the corresponding periods of preceding year.

The lower revenue was mainly resulted from lower sales volume of broiler and weaker selling price of eggs during the quarter and year to 31 December 2020 as demand was affected by implementation of movement control order (MCO) during the period.

The Group recorded profit before taxation of RM6.174 million for the quarter at the back of fair value gain on investment properties and higher selling price of broiler compared to a loss before tax of RM4.683 million in the corresponding periods of preceding year. Nevertheless, Group PBT for the year to 31 December 2020 was lower by 79.3% compared to corresponding period of preceding year as PBT decreased from RM8.262 million to RM1.711 million as the bottom line was affected by lower sales volume of broiler and weaker selling price of eggs during MCO.

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

Group revenue for quarter to 31 December 2020 continue to improve as it rose 2.6% from RM80.142 million recorded in the immediate preceding quarter to RM82.234 million as the Group increased its sales volume during the quarter under review.

The Group reported 49.5% higher profit before tax of RM6.174 million compared with RM4.129 million in the immediate preceding quarter. The improved result was mainly due to fair value gain on investment properties and biological assets.

3. Commentary on Prospects

FY2021 started off with a lot of uncertainty due to the COVID-19 pandemic and rising cost of raw material used in the manufacturing of feed. However with gradual easing of movement control and the ongoing vaccination program that could eventually curb the spread of COVID-19, we should see some recovery in the market and economy activities moving forward.

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 31-12-2020 RM'000	Current Year To Date 31-12-2020 RM'000
Interest income	50	104
Other income (including investment income)	313	1,083
Interest expense	(1,856)	(6,341)
Depreciation and amortization	(3,651)	(14,426)
Provision for and write off of receivables	(573)	(573)
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investments or properties	(1,624)	(2,578)
Foreign exchange gain	250	1,155
Fair value loss on derivative instruments	-	-
Fair value gain on investment properties	4,965	4,965

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-12-2020 RM'000	Preceding Year Corresponding Quarter 31-12-2019 RM'000	Current Year To Date 31-12-2020 RM'000	Preceding Year Corresponding Period 31-12-2019 RM'000
Current Taxation	547	(817)	2,242	2,289
Deferred Taxation	(436)	574	(1,921)	370
Total	111	(243)	321	2,659

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

	31-12-2020 RM'000	31-12-2019 RM'000
<i>Current liabilities</i>		
Secured	9,245	9,267
Unsecured	<u>115,542</u>	<u>108,124</u>
	124,787	117,391
 <i>Non-current liabilities</i>		
Secured	41,384	45,936
Unsecured	<u>1,575</u>	<u>2,115</u>
	42,959	48,051
	<u><u>167,746</u></u>	<u><u>165,442</u></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 31-12-2020	Preceding Year Quarter 31-12-2019	Current Year To Date 31-12-2020	Preceding Year To Date 31-12-2019
Basic earnings per share				
Profit/(Loss) for the period (RM'000)	6,131	(4,525)	1,418	6,277
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)	3.56	(2.63)	0.82	3.64
Diluted earnings per share				
Profit/(Loss) for the period (RM'000)	6,131	(4,525)	1,418	6,277
Weighted average number of ordinary shares in issue (basic) (in thousands)	172,362	172,362	172,362	172,362
Effect of share options (ESOS/ESS)	2,916	157	2,916	174
Effect of warrants	-	6,448	-	8,257
Weighted average number of ordinary shares in issue (in thousands)	175,278	178,967	175,278	180,793
Diluted earnings/(loss) per share for the period (Sen)	3.50	(2.53)	(0.81)	3.47

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of March 2021