



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

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2021**



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2021**

	31 Mar 2021 (RM'000)	31 Dec 2020 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	351,292	350,537
Right-of-use assets	66	-
Investment properties	46,330	46,330
Goodwill	7,612	7,612
	<u>405,300</u>	<u>404,479</u>
Current assets		
Inventories	16,473	21,185
Biological assets	42,921	46,287
Trade receivables	16,525	16,351
Other receivables, deposits and prepayments	13,157	13,750
Tax recoverable	3,379	3,311
Investment securities	2,407	2,194
Short term placement with a financial institution	9,515	13,021
Cash and cash equivalents	7,861	11,800
	<u>112,238</u>	<u>127,899</u>
Total assets	<u><u>517,538</u></u>	<u><u>532,378</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	88,941	88,858
Treasury shares	(1,622)	(1,622)
Retained profits	226,334	222,966
Other reserves	1,729	1,747
Equity attributable to owner of the Company	<u>315,382</u>	<u>311,949</u>
Non-controlling interest	<u>(4,519)</u>	<u>(4,294)</u>
Total equity	<u>310,863</u>	<u>307,655</u>
Non-current liabilities		
Lease liabilities	54	-
Long term borrowings	35,687	42,989
Deferred taxation	20,132	19,494
	<u>55,873</u>	<u>62,483</u>
Current liabilities		
Trade payables	27,391	28,996
Other payables and accruals	9,000	8,227
Lease liabilities	12	-
Overdraft and short term borrowings	114,083	124,757
Taxation	316	260
	<u>150,802</u>	<u>162,240</u>
Total liabilities	<u>206,675</u>	<u>224,723</u>
Total equity and liabilities	<u><u>517,538</u></u>	<u><u>532,378</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.83	1.81



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 31 March 2021**

	<u>2021</u> Current qtr ended 31-Mar (RM'000)	<u>2020</u> Current qtr ended 31-Mar (RM'000)	<u>2021</u> 3 months cumulative To-date (RM'000)	<u>2020</u> 3 months cumulative To-date (RM'000)
Revenue	90,420	88,368	90,420	88,368
Operating expenses	(85,062)	(92,327)	(85,062)	(92,327)
Other operating income	<u>236</u>	<u>926</u>	<u>236</u>	<u>926</u>
Profit/(Loss) from operations	5,594	(3,033)	5,594	(3,033)
Finance income	35	13	35	13
Finance costs	(1,072)	(1,681)	(1,072)	(1,681)
Profit/(Loss) before taxation	4,557	(4,701)	4,557	(4,701)
Taxation	<u>(1,414)</u>	<u>853</u>	<u>(1,414)</u>	<u>853</u>
Profit/(Loss) for the period	3,143	(3,848)	3,143	(3,848)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>
Attributable to:				
Equity holders of the parent	3,368	(3,974)	3,368	(3,974)
Non-controlling interest	(225)	126	(225)	126
Profit/(Loss) for the period	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>
Attributable to:				
Equity holders of the parent	3,368	(3,974)	3,368	(3,974)
Non-controlling interest	(225)	126	(225)	126
Comprehensive income/(loss) for the period	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>	<u><u>3,143</u></u>	<u><u>(3,848)</u></u>
Earnings/(Loss) per share attributable to equity holders of the parent				
- Basic (sen)	<u>1.95</u>	<u>(2.31)</u>	<u>1.95</u>	<u>(2.31)</u>
- Diluted (sen)	<u><u>1.95</u></u>	<u><u>(2.30)</u></u>	<u><u>1.95</u></u>	<u><u>(2.30)</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 2020.



PWF CORPORATION BHD

Condensed Consolidated Statement of Changes in Equity For The Year Ended 31 March 2021

← Attributable to Equity Holders of the Parent →

	Share Capital (RM'000)	Treasury Shares (RM'000)	ESS 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 2021</i>							
Balance as at 1 January 2021	88,858	(1,622)	1,747	222,966	311,949	(4,294)	307,655
Total comprehensive income/(loss) for the period	-	-	-	3,368	3,368	(225)	3,143
Transactions with owners:							
Issued pursuant to ESS	83	-	(18)	-	65	-	65
Balance as at 31 March 2021	<u>88,941</u>	<u>(1,622)</u>	<u>1,729</u>	<u>226,334</u>	<u>315,382</u>	<u>(4,519)</u>	<u>310,863</u>

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 Shares (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 income/(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>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 March 2021**

	3 months ended 31 Mar 2021 (RM'000)	3 month ended 31 Mar 2020 (RM'000)
Profit/(Loss) before tax	4,557	(4,701)
Adjustments for :		
Non-cash items	6,883	9,954
Non-operating items	997	2,566
Operating profit before changes in working capital	<u>12,437</u>	<u>7,819</u>
Changes in working capital		
Net changes in current assets	5,244	(7,295)
Net changes in current liabilities	<u>(766)</u>	<u>7,612</u>
	4,478	317
Cash generated from operations	<u>16,915</u>	<u>8,136</u>
Tax paid	(789)	(1,147)
Interest paid	(1,072)	(1,685)
Interest received	35	13
Net cash from operating activities	<u>15,089</u>	<u>5,317</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	6	34
Proceeds from disposal of investment securities	2,045	16,349
Acquisition of investment securities	(2,286)	(20,261)
Purchase of property, plant and equipment	(4,387)	(4,545)
Dividend income from investment securities	-	4
Net cash used in investing activities	<u>(4,622)</u>	<u>(8,419)</u>
Financing Activities		
Dividends paid	-	(1,724)
Proceeds from issuance of shares	65	-
Bank borrowings	<u>(17,589)</u>	<u>(7,535)</u>
Net cash used in financing activities	<u>(17,524)</u>	<u>(9,259)</u>
Net Change in Cash & Cash Equivalents	(7,057)	(12,361)
Cash and cash equivalents as at 1 January	<u>24,433</u>	<u>18,939</u>
Cash and cash equivalents as at 31 March	<u><u>17,376</u></u>	<u><u>6,578</u></u>
Represented by:		
Cash and bank balances	7,861	10,532
Short term placement with a financial institution	9,515	-
Bank overdrafts	<u>-</u>	<u>(3,954)</u>
	<u><u>17,376</u></u>	<u><u>6,578</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 2020.



PWF CORPORATION BHD. (199701004553) (420049-H)
(Incorporated in Malaysia)

Notes to the financial report for the quarter ended 31 March 2021

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 2020. 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 2020.

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 2020 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1 January 2021. 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 2021.

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 for :

- I. Issuance of 1,368,400 new ordinary shares at RM0.406 per share arising from the exercise of options under Employees' Share Scheme (ESS); and
- II. Grant of 5,500,000 new ordinary shares at RM0.64 per share under the ESS.

7. Dividend Paid

The Company has not paid any dividend up to date of this report.

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 2021, 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	27,326	2,960

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 31 March 2021 rose 2.3% from RM88.368 million recorded in corresponding periods of preceding year to RM90.420 million driven by higher average selling price of broiler.

The Group recorded profit before taxation of RM4.557 million for the quarter compared to loss before tax of RM4.701 million in the corresponding periods of preceding year mostly contributed by higher selling price of broiler during the quarter.

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

Group revenue for quarter to 31 March 2021 increased from RM82.233 million recorded in the immediate preceding quarter to RM90.420 million, or 10.0% as average selling price of broiler increased during the quarter under review.

The Group however reported lower profit before tax of RM4.557 million compared with RM6.173 million in the immediate preceding quarter representing decrease of 26.2%. The lower profit was attributable to effect of fair value gain on investment properties and biological assets recognised in the preceding quarter.

3. Commentary on Prospects

The Company is presented with many uncertainties in FY2021 mainly due to the multiple waves of COVID-19 infection in the country, which has greatly impacted the economy. Furthermore, the cost of imported raw materials used in the manufacturing of feed has been increasing. The recent government's decision to implement full lockdown of the country has casted further doubt on the recovery of market conditions. In light of the bleak prospect of the economic climate in the country, the Company will be taking a more cautious approach moving forward, and will carry out all necessary measures to meet the challenges that lie ahead.

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 31-3-2021 RM'000	Current Year To Date 31-3-2021 RM'000
Interest income	35	35
Other income (including investment income)	236	236
Interest expense	(1,072)	(1,072)
Depreciation and amortization	(3,631)	(3,631)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss on disposal of quoted or unquoted investments or properties	(39)	(39)
Foreign exchange loss	(9)	(9)
Fair value loss on derivative instruments	-	-
Fair value gain on investment properties	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2021 RM'000	Preceding Year Corresponding Quarter 31-3-2020 RM'000	Current Year To Date 31-3-2021 RM'000	Preceding Year Corresponding Period 31-3-2020 RM'000
Current Taxation	433	540	433	540
Deferred Taxation	981	(1,393)	981	(1,393)
Total	1,414	(853)	1,414	(853)

The Group's effective tax rate for the current quarter ended 31 March 2021 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 2021 are as follows: -

	31-3-2021 RM'000	31-12-2020 RM'000
<i>Current liabilities</i>		
Secured	14,292	9,367
Unsecured	99,791	115,390
	<u>114,083</u>	<u>124,757</u>
<i>Non-current liabilities</i>		
Secured	34,247	41,414
Unsecured	1,440	1,575
	<u>35,687</u>	<u>42,989</u>
	<u>149,770</u>	<u>167,746</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 31-3-2021	Preceding Year Quarter 31-3-2020	Current Year To Date 31-3-2021	Preceding Year To Date 31-3-2020
Basic earnings per share				
Profit/(Loss) for the period (RM'000)	3,368	(3,974)	3,368	(3,974)
Weighted average number of ordinary shares in issue (in thousands)	172,425	172,362	172,425	172,362
Basic earnings/(loss) per share for the period (Sen)	1.95	(2.31)	1.95	(2.31)
Diluted earnings per share				
Profit/(Loss) for the period (RM'000)	3,368	(3,974)	3,368	(3,974)
Weighted average number of ordinary shares in issue (basic) (in thousands)	172,425	172,362	172,425	172,362
Effect of share options (ESOS/ESS)	252	59	252	59
Effect of warrants	-	627	-	627
Weighted average number of ordinary shares in issue (in thousands)	172,677	173,048	172,677	173,048
Diluted earnings/(loss) per share for the period (Sen)	1.95	(2.30)	1.95	(2.30)

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 31st day of May 2021