



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

**Condensed Consolidated Financial Statements
for the Quarter Ended 30 June 2021**



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 30 Jun 2021**

	30 Jun 2021 (RM'000)	31 Dec 2020 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	350,162	350,537
Right-of-use assets	62	-
Investment properties	46,330	46,330
Goodwill	7,612	7,612
	<u>404,166</u>	<u>404,479</u>
Current assets		
Inventories	31,489	21,185
Biological assets	44,620	46,287
Trade receivables	18,401	16,351
Other receivables, deposits and prepayments	11,704	13,750
Investment securities	1,624	2,194
Current tax assets	3,928	3,311
Short term placement with a financial institution	8,519	13,021
Cash and bank balances	7,222	11,800
	<u>127,507</u>	<u>127,899</u>
TOTAL ASSETS	<u><u>531,673</u></u>	<u><u>532,378</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	93,217	88,858
Treasury shares	(1,622)	(1,622)
ESS reserve	1,576	1,747
Retained profits	220,891	222,966
	<u>314,062</u>	<u>311,949</u>
Non-controlling interests	<u>(4,840)</u>	<u>(4,294)</u>
Total equity	<u>309,222</u>	<u>307,655</u>
Non-current liabilities		
Lease liabilities	51	-
Borrowings	42,145	42,989
Deferred tax liabilities	19,956	19,494
	<u>62,152</u>	<u>62,483</u>
Current liabilities		
Trade payables	32,524	28,996
Other payables and accruals	9,163	8,227
Lease liabilities	12	-
Borrowings	118,600	124,757
Current tax liabilities	-	260
	<u>160,299</u>	<u>162,240</u>
Total liabilities	<u>222,451</u>	<u>224,723</u>
TOTAL EQUITY AND LIABILITIES	<u><u>531,673</u></u>	<u><u>532,378</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.75	1.81

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

PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Year And Quarter Ended 30 Jun 2021**

	<u>2021</u> Current qtr ended 30-Jun (RM'000)	<u>2020</u> Current qtr ended 30-Jun (RM'000)	<u>2021</u> 6 months cumulative To-date (RM'000)	<u>2020</u> 6 months cumulative To-date (RM'000)
Revenue	95,732	65,230	186,152	153,598
Operating expenses	(101,641)	(67,873)	(186,703)	(160,200)
Other income	<u>748</u>	<u>463</u>	<u>984</u>	<u>1,389</u>
Loss from operations	(5,161)	(2,180)	433	(5,213)
Finance income	49	25	84	38
Finance costs	<u>(1,178)</u>	<u>(1,736)</u>	<u>(2,250)</u>	<u>(3,417)</u>
Loss before taxation	(6,290)	(3,891)	(1,733)	(8,592)
Taxation	<u>526</u>	<u>(875)</u>	<u>(888)</u>	<u>(22)</u>
Loss for the period	(5,764)	(4,766)	(2,621)	(8,614)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(5,764)</u>	<u>(4,766)</u>	<u>(2,621)</u>	<u>(8,614)</u>
Attributable to:				
Owners of the Company	(5,444)	(4,737)	(2,075)	(8,711)
Non-controlling interests	(320)	(29)	(546)	97
Loss for the period	<u>(5,764)</u>	<u>(4,766)</u>	<u>(2,621)</u>	<u>(8,614)</u>
Attributable to:				
Owners of the Company	(5,444)	(4,737)	(2,075)	(8,711)
Non-controlling interests	(320)	(29)	(546)	97
Comprehensive loss for the period	<u>(5,764)</u>	<u>(4,766)</u>	<u>(2,621)</u>	<u>(8,614)</u>
Earnings/(Loss) per share attributable to equity holders of the parent				
- Basic (sen)	<u>(3.07)</u>	<u>(2.75)</u>	<u>(1.19)</u>	<u>(5.05)</u>
- Diluted (sen)	<u>(2.97)</u>	<u>(2.75)</u>	<u>(1.16)</u>	<u>(5.05)</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 30 Jun 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>6 months ended 30 Jun 2021</i>							
Balance at beginning	88,858	(1,622)	1,747	222,966	311,949	(4,294)	307,655
Total comprehensive income/(loss) for the period	-	-	-	(2,075)	(2,075)	(546)	(2,621)
Transactions with owners:							
Issued pursuant to ESS	4,295	-	(171)	-	4,124	-	4,124
Issued pursuant to warrants exercised	64	-	-	-	64	-	64
Balance at end	<u>93,217</u>	<u>(1,622)</u>	<u>1,576</u>	<u>220,891</u>	<u>314,062</u>	<u>(4,840)</u>	<u>309,222</u>

Condensed Consolidated Statement of Changes in Equity For The Year Ended 30 Jun 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>6 months ended 30 Jun 2020</i>							
Balance at beginning	88,858	(1,622)	1,334	220,211	308,781	(4,265)	304,516
Total comprehensive income/(loss) for the period	-	-	-	(8,711)	(8,711)	97	(8,614)
Balance at end	<u>88,858</u>	<u>(1,622)</u>	<u>1,334</u>	<u>211,500</u>	<u>300,070</u>	<u>(4,168)</u>	<u>295,902</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 30 Jun 2021**

	6 months ended 30 Jun 2021 (RM'000)	6 month ended 30 Jun 2020 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,733)	(8,592)
Adjustments for :		
Non-cash items	16,490	10,121
Non-operating items	<u>2,166</u>	<u>4,268</u>
Operating profit before changes in working capital	16,923	5,797
Net changes in current assets	(14,604)	10,025
Net changes in current liabilities	<u>4,524</u>	<u>(1,515)</u>
Cash from operations	6,843	14,307
Income tax paid	(1,302)	(1,151)
Finance cost paid	(2,250)	(3,351)
Finance income received	<u>84</u>	<u>38</u>
Net cash from operating activities	3,375	9,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(2,294)	(24,891)
Acquisition of property, plant and equipment	(6,977)	(8,856)
Dividend received	-	65
Proceeds from disposal of investment securities	2,724	26,256
Proceeds from disposal of property, plant and equipment	<u>424</u>	<u>45</u>
Net cash used in investing activities	(6,123)	(7,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(1,725)
Proceeds from issuance of shares	668	-
Bank borrowings	(6,612)	(9,741)
Net cash used in financing activities	<u>(5,944)</u>	<u>(11,466)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,692)	(9,004)
CASH AND CASH EQUIVALENT AT BEGINNING	<u>24,433</u>	<u>18,939</u>
CASH AND CASH EQUIVALENT AT END	<u><u>15,741</u></u>	<u><u>9,935</u></u>
Represented by:		
Cash and bank balances	7,222	7,871
Short term placement with a financial institution	8,519	2,207
Bank overdrafts	<u>-</u>	<u>(143)</u>
	<u><u>15,741</u></u>	<u><u>9,935</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 30 June 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 30 June 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 other than:

- I. Exercise of 1,532,400 ESS option at RM0.406 per share;
- II. Exercise of 6,367,192 warrants at RM0.62 per share; and
- III. Award of 5,500,000 ESS shares at RM0.64 per share.

The Company's warrants had expired on 19 July 2021 and accordingly the unexercised warrants had been removed from the official list of Bursa Malaysia Securities Berhad with effect from 21 July 2021.

7. Dividend Paid

The Company has not paid any dividend up to the 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 30 June 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	24,688	4,109

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 30 June 2021 rose 46.76% and 21.19% from RM65.23 million and RM153.60 million recorded in corresponding period of preceding year to RM95.73 million and RM186.15 million respectively driven by higher sales quantity and selling price of broiler.

Loss before tax of RM6.29 million for the quarter compared to loss before tax of RM3.89 million in the corresponding period of preceding year attributed by lower selling price of eggs and higher cost of raw material. Nevertheless, Group loss before tax for cumulative quarters to 30 June 2021 has reduced by 79.83% from RM8.59 million in the preceding year to RM1.73million.

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

Group revenue for quarter to 30 June 2021 increased from RM90.42 million recorded in the immediate preceding quarter to RM95.73 million, or 5.87% as average selling price of broiler increased during the quarter under review.

The Group however reported loss before tax of RM6.29 million compared with profit before tax of RM4.56 million in the immediate preceding quarter attributed by lower selling price of eggs and higher cost of raw material.

3. Commentary on Prospects

The Company is cautiously optimistic that business performance will improve on the back of recovery in consumer demand as more economic activities are allowed under the National Recovery Plan while Covid-19 full vaccination rate of the adult population has reached more than 85%. However, prices of raw material used in the manufacturing of feed are expected to remain on the high side.

4. Profit Forecast

Not applicable as the Company has not issued profit forecast or profit guarantee in a public document.

5. Loss for the Period

Loss for the period is arrived at after crediting/ (charging):-

	Current Year Quarter 30-6-2021 RM'000	Current Year To Date 30-6-2021 RM'000
Interest income	49	84
Other income (including investment income)	330	614
Interest expense	(1,178)	(2,250)
Depreciation and amortization	(3,594)	(7,225)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	330	291
Gain on foreign exchange	88	79
Fair value loss on derivative instruments	-	-
Fair value gain on investment properties	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30-6-2021 RM'000	Preceding Year Corresponding Quarter 30-6-2020 RM'000	Current Year To Date 30-6-2021 RM'000	Preceding Year Corresponding Period 30-6-2020 RM'000
Current Taxation	8	(698)	(425)	(1,238)
Deferred Taxation	518	(177)	(463)	1,216
Total	526	(875)	(888)	(22)

The Group's effective tax rate for the current quarter ended 30 June 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 30 June 2021 are as follows: -

	30-6-2021 RM'000	31-12-2020 RM'000
<i>Current liabilities</i>		
Secured	12,682	9,367
Unsecured	105,918	115,390
	<u>118,600</u>	<u>124,757</u>
 <i>Non-current liabilities</i>		
Secured	40,840	41,414
Unsecured	1,305	1,575
	<u>42,145</u>	<u>42,989</u>
	<u>160,745</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 30-6-2021	Preceding Year Quarter 30-6-2020	Current Year To Date 30-6-2021	Preceding Year To Date 30-6-2020
Basic earnings per share				
Loss for the period (RM'000)	(5,444)	(4,737)	(2,075)	(8,711)
Weighted average number of ordinary shares in issue (in thousands)	177,202	172,362	174,828	172,362
Basic loss per share for the period (Sen)	(3.07)	(2.75)	(1.19)	(5.05)
Diluted earnings per share				
Loss for the period (RM'000)	(5,444)	(4,737)	(2,075)	(8,711)
Weighted average number of ordinary shares in issue (basic) (in thousands)	177,202	172,362	174,828	172,362
Effect of share options (in thousands)	5,898	-	4,722	-
Weighted average number of ordinary shares in issue (in thousands)	183,100	172,362	179,550	172,362
Diluted loss per share for the period (Sen)	(2.97)	(2.75)	(1.16)	(5.05)

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of September 2021