



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

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



PWF CORPORATION BHD.

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

	30 Sept 2021 (RM'000)	31 Dec 2020 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	347,349	350,537
Right-of-use assets	59	-
Investment properties	46,330	46,330
Goodwill	7,612	7,612
	<u>401,350</u>	<u>404,479</u>
Current assets		
Inventories	30,355	21,185
Biological assets	45,828	46,287
Trade receivables	20,493	16,351
Other receivables, deposits and prepayments	13,193	13,750
Investment securities	1,431	2,194
Current tax assets	3,686	3,311
Short term placement with a financial institution	12,544	13,021
Cash and bank balances	8,576	11,800
	<u>136,106</u>	<u>127,899</u>
Non-current assets held for sale	1,690	-
	<u>137,796</u>	<u>127,899</u>
TOTAL ASSETS	<u><u>539,146</u></u>	<u><u>532,378</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	97,121	88,858
Treasury shares	(1,622)	(1,622)
ESS reserve	1,572	1,747
Retained profits	217,697	222,966
	<u>314,768</u>	<u>311,949</u>
Non-controlling interests	(5,045)	(4,294)
Total equity	<u>309,723</u>	<u>307,655</u>
Non-current liabilities		
Lease liabilities	47	-
Borrowings	46,259	42,989
Deferred tax liabilities	18,985	19,494
	<u>65,291</u>	<u>62,483</u>
Current liabilities		
Trade payables	31,264	28,996
Other payables and accruals	10,219	8,227
Lease liabilities	13	-
Borrowings	122,636	124,757
Current tax liabilities	-	260
	<u>164,132</u>	<u>162,240</u>
Total liabilities	<u>229,423</u>	<u>224,723</u>
TOTAL EQUITY AND LIABILITIES	<u><u>539,146</u></u>	<u><u>532,378</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.69	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 Financial Period Ended 30 Sept 2021**

	<u>2021</u> Current qtr ended 30-Sep (RM'000)	<u>2020</u> Current qtr ended 30-Sep (RM'000)	<u>2021</u> 9 months cumulative To-date (RM'000)	<u>2020</u> 9 months cumulative To-date (RM'000)
Revenue	95,451	80,142	281,603	233,740
Operating expenses	(98,010)	(75,247)	(284,713)	(235,447)
Other income	<u>237</u>	<u>286</u>	<u>1,221</u>	<u>1,675</u>
(Loss)/Profit from operations	(2,322)	5,181	(1,889)	(32)
Finance income	48	16	132	54
Finance costs	<u>(1,327)</u>	<u>(1,068)</u>	<u>(3,577)</u>	<u>(4,485)</u>
(Loss)/Profit before taxation	(3,601)	4,129	(5,334)	(4,463)
Taxation	<u>202</u>	<u>(188)</u>	<u>(686)</u>	<u>(210)</u>
(Loss)/Profit for the period	(3,399)	3,941	(6,020)	(4,673)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the period	<u>(3,399)</u>	<u>3,941</u>	<u>(6,020)</u>	<u>(4,673)</u>
Attributable to:				
Owners of the Company	(3,194)	3,998	(5,269)	(4,713)
Non-controlling interests	(205)	(57)	(751)	40
(Loss)/Profit for the period	<u>(3,399)</u>	<u>3,941</u>	<u>(6,020)</u>	<u>(4,673)</u>
Attributable to:				
Owners of the Company	(3,194)	3,998	(5,269)	(4,713)
Non-controlling interests	(205)	(57)	(751)	40
Comprehensive (loss)/income for the period	<u>(3,399)</u>	<u>3,941</u>	<u>(6,020)</u>	<u>(4,673)</u>
(Loss)/Earnings per share attributable to equity holders of the parent				
- Basic (sen)	<u>(1.73)</u>	<u>2.32</u>	<u>(2.96)</u>	<u>(2.73)</u>
- Diluted (sen)	<u>(1.73)</u>	<u>2.32</u>	<u>(2.88)</u>	<u>(2.73)</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 Financial Period Ended 30 Sept 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>9 months ended 30 Sept 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	-	-	-	(5,269)	(5,269)	(751)	(6,020)
Transactions with owners:							
Issued pursuant to ESS shares	4,316	-	(175)	-	4,141	-	4,141
Issued pursuant to warrants exercised	3,947	-	-	-	3,947	-	3,947
Balance at end	<u>97,121</u>	<u>(1,622)</u>	<u>1,572</u>	<u>217,697</u>	<u>314,768</u>	<u>(5,045)</u>	<u>309,723</u>

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 Sept 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 Sept 2020</i>							
Balance at beginning	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:							
Expiry of existing ESOS	-	-	(1,334)	1,334	-	-	-
Balance at end	<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>

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 Financial Period Ended 30 Sept 2021**

	9 months ended 30 Sept 2021 (RM'000)	9 months ended 30 Sept 2020 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(5,334)	(4,463)
Adjustments for :		
Non-cash items	16,747	10,669
Non-operating items	<u>3,445</u>	<u>5,154</u>
Operating profit before changes in working capital	14,858	11,360
Net changes in current assets	(14,743)	10,080
Net changes in current liabilities	<u>4,318</u>	<u>(3,783)</u>
Cash from operations	4,433	17,657
Income tax paid	(1,831)	(1,154)
Finance cost paid	(3,577)	(4,341)
Finance income received	<u>132</u>	<u>54</u>
Net cash (used in)/from operating activities	(843)	12,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	(2,311)	(45,582)
Acquisition of property, plant and equipment	(9,532)	(11,366)
Dividend received	-	86
Proceeds from disposal of investment securities	2,759	47,097
Proceeds from disposal of property, plant and equipment	<u>507</u>	<u>45</u>
Net cash used in investing activities	(8,577)	(9,720)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(1,725)
Proceeds from issuance of shares	4,570	-
Bank borrowings	<u>1,322</u>	<u>(6,950)</u>
Net cash from/(used in) financing activities	<u>5,892</u>	<u>(8,675)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,528)	(6,179)
CASH AND CASH EQUIVALENT AT BEGINNING	<u>24,433</u>	<u>18,939</u>
CASH AND CASH EQUIVALENT AT END	<u><u>20,905</u></u>	<u><u>12,760</u></u>
Represented by:		
Cash and bank balances	8,576	13,046
Short term placement with a financial institution	12,544	7
Bank overdrafts	<u>(215)</u>	<u>(293)</u>
	<u><u>20,905</u></u>	<u><u>12,760</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)

Interim Report For The Financial Period Ended 30 September 2021

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 report.

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 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 options 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 30 September 2021 that have not been reflected in the financial statements.

10. Changes in the Composition of the Group

There have been no changes to the composition of the Group during the financial period ended 30 September 2021 other than the members' voluntary winding-up of PWF Capital Land Sdn Bhd, an inactive subsidiary.

11. Contingent Assets and Contingent Liabilities

There were no material changes to the contingent assets and contingent liabilities 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	34,553	2,359

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 30 September 2021 rose 19.10% and 20.48% from RM80.14 million and RM233.74 million recorded in corresponding period of preceding year to RM95.45 million and RM281.60 million respectively driven by higher sales quantity and selling price of broiler.

Loss before tax of RM3.60 million for the quarter compared to profit before tax of RM4.13 million in the corresponding period of preceding year attributed by higher cost of raw material. Group loss before tax for cumulative quarters to 30 September 2021 has increased by 19.52% from RM4.46 million in the preceding year to RM5.33 million.

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

Group revenue for quarter to 30 September 2021 reduced 0.29% from RM95.73 million recorded in the immediate preceding quarter to RM95.45 million as a result of reduction in sales quantity of broiler.

The Group however reported loss before tax of RM3.60 million compared with RM6.29 million in the immediate preceding quarter mainly attributed to higher average selling price of eggs.

3. Commentary on Prospects

The Company is cautiously optimistic of the performance of the Group for the remainder of the year as bottom line continues to be affected by high cost of imported raw material used in the manufacturing of feed. As the domestic economy stabilise and enter into recovery phase, previously affected food and beverage sector now present an entry opportunity which the Group is keen to explore.

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 30-9-2021 RM'000	Current Year To Date 30-9-2021 RM'000
Interest income	48	132
Other income (including investment income)	(72)	542
Interest expense	(1,327)	(3,577)
Depreciation and amortization	(3,609)	(10,834)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	304	595
Gain on foreign exchange	(5)	84
Fair value loss on derivative instruments	-	-
Fair value gain on investment properties	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30-9-2021 RM'000	Preceding Year Corresponding Quarter 30-9-2020 RM'000	Current Year To Date 30-9-2021 RM'000	Preceding Year Corresponding Period 30-9-2020 RM'000
Current Taxation	(770)	(457)	(1,195)	(1,695)
Deferred Taxation	972	269	509	1,485
Total	202	(188)	(686)	(210)

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

	30-9-2021 RM'000	31-12-2020 RM'000
<i>Current liabilities</i>		
Secured	10,226	9,367
Unsecured	112,410	115,390
	<u>122,636</u>	<u>124,757</u>
 <i>Non-current liabilities</i>		
Secured	45,089	41,414
Unsecured	1,170	1,575
	<u>46,259</u>	<u>42,989</u>
	<u><u>168,895</u></u>	<u><u>167,746</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 Board of Directors of the Company ("Board") has declared a first interim dividend of 4 sen per ordinary share in the Company in respect of the financial year ending 31 December 2021 ("1st Interim Dividend").

Subject to the relevant regulatory approvals being obtained, the Board recommends the shareholders of the Company ("Shareholders") to be given an option to elect the entire 1st Interim Dividend into new ordinary shares in the Company in accordance with the dividend reinvestment plan which was approved by the Shareholders at the Company's Extraordinary General Meeting held on 8 January 2015 and renewed at the 24th Annual General Meeting of the Company held on 30 September 2021.

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 30-9-2021	Preceding Year Quarter 30-9-2020	Current Year To Date 30-9-2021	Preceding Year To Date 30-9-2020
Basic earnings per share				
(Loss)/Profit for the period (RM'000)	(3,194)	3,998	(5,269)	(4,713)
Weighted average number of ordinary shares in issue (in thousands)	184,524	172,362	178,095	172,362
Basic (loss)/earnings per share (Sen)	(1.73)	2.32	(2.96)	(2.73)
Diluted earnings per share				
(Loss)/Profit for the period (RM'000)	(3,194)	3,998	(5,269)	(4,713)
Weighted average number of ordinary shares in issue (basic) (in thousands)	184,524	172,362	178,095	172,362
Effect of share options (in thousands)	4	-	4,608	-
Weighted average number of ordinary shares in issue (in thousands)	184,528	172,362	182,703	172,362
Diluted (loss)/earnings per share (Sen)	(1.73)	2.32	(2.88)	(2.73)

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of November 2021