



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

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2022**



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2022**

	31 Mar 2022 (RM'000)	31 Dec 2021 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	348,838	348,881
Right-of-use assets	52	55
Investment properties	44,330	44,330
Goodwill	5,241	5,241
Investment in associates	2,522	2,522
	<u>400,983</u>	<u>401,029</u>
Current assets		
Inventories	38,722	25,028
Biological assets	37,741	48,367
Trade receivables	19,870	19,340
Other receivables, deposits and prepayments	10,098	9,581
Investment securities	1,140	1,359
Current tax assets	2,486	3,484
Short term placement with a financial institution	7,069	13,116
Cash and bank balances	9,504	10,609
	<u>126,630</u>	<u>130,884</u>
TOTAL ASSETS	<u><u>527,613</u></u>	<u><u>531,913</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	102,528	97,122
Treasury shares	(1,622)	(1,622)
ESS reserve	1,568	1,568
Retained profits	218,777	217,173
	<u>321,251</u>	<u>314,241</u>
Non-controlling interests	(5,321)	(5,289)
Total equity	<u><u>315,930</u></u>	<u><u>308,952</u></u>
Non-current liabilities		
Borrowings	45,380	44,280
Lease liabilities	41	44
Deferred tax liabilities	17,177	19,091
	<u>62,598</u>	<u>63,415</u>
Current liabilities		
Trade payables	31,931	36,460
Other payables and accruals	8,533	10,730
Lease liabilities	13	13
Borrowings	108,135	104,732
Dividend payable	-	7,430
Current tax liabilities	473	181
	<u>149,085</u>	<u>159,546</u>
Total liabilities	<u><u>211,683</u></u>	<u><u>222,961</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>527,613</u></u>	<u><u>531,913</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.63	1.69

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 31 March 2022**

	<u>2022</u> Current qtr ended 31-Mar (RM'000)	<u>2021</u> Current qtr ended 31-Mar (RM'000)	<u>2022</u> 3 months cumulative To-date (RM'000)	<u>2021</u> 3 months cumulative To-date (RM'000)
Revenue	112,231	90,420	112,231	90,420
Operating expenses	(110,066)	(85,062)	(110,066)	(85,062)
Other income	385	236	385	236
Profit from operations	2,550	5,594	2,550	5,594
Finance income	32	35	32	35
Finance costs	(1,149)	(1,072)	(1,149)	(1,072)
Profit before taxation	1,433	4,557	1,433	4,557
Taxation	139	(1,414)	139	(1,414)
Profit for the period	1,572	3,143	1,572	3,143
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,572</u>	<u>3,143</u>	<u>1,572</u>	<u>3,143</u>
Attributable to:				
Owners of the Company	1,604	3,368	1,604	3,368
Non-controlling interests	(32)	(225)	(32)	(225)
Profit for the period	<u>1,572</u>	<u>3,143</u>	<u>1,572</u>	<u>3,143</u>
Attributable to:				
Owners of the Company	1,604	3,368	1,604	3,368
Non-controlling interests	(32)	(225)	(32)	(225)
Comprehensive income for the period	<u>1,572</u>	<u>3,143</u>	<u>1,572</u>	<u>3,143</u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	0.82	1.95	0.82	1.95
- Diluted (sen)	0.81	1.95	0.81	1.95

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.



PWF CORPORATION BHD

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 31 March 2022

← 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)
Balance at beginning	97,122	(1,622)	1,568	217,173	314,241	(5,289)	308,952
Total comprehensive income/(loss) for the period	-	-	-	1,604	1,604	(32)	1,572
Transactions with owners:							
Shares issued, pursuant to: -Dividend reinvestment plan	5,406	-	-	-	5,406	-	5,406
Balance at end	<u>102,528</u>	<u>(1,622)</u>	<u>1,568</u>	<u>218,777</u>	<u>321,251</u>	<u>(5,321)</u>	<u>315,930</u>

Condensed Consolidated Statement of Changes in Equity For The Financial Period 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)
Balance at beginning	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:							
Shares issued, pursuant to: -Exercise of ESS options	83	-	(18)	-	65	-	65
Balance at end	<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>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Cash Flows
For The Financial Period Ended 31 March 2022**

	3 months ended 31 Mar 2022 (RM'000)	3 months ended 31 Mar 2021 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,433	4,557
Adjustments for :		
Non-cash items	20,209	6,883
Non-operating items	1,049	997
Operating profit before changes in working capital	22,691	12,437
Net changes in current assets	(19,974)	5,244
Net changes in current liabilities	(6,729)	(766)
Cash (used in)/from operations	(4,012)	16,915
Income tax paid	(486)	(789)
Finance cost paid	(1,149)	(1,072)
Finance income received	32	35
Net cash (used in)/ from operating activities	(5,615)	15,089
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities	-	(2,286)
Acquisition of property, plant and equipment	(4,085)	(4,387)
Proceeds from disposal of investment securities	-	2,045
Proceeds from disposal of property, plant and equipment	68	6
Net cash used in investing activities	(4,017)	(4,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7,430)	-
Proceeds from issuance of shares	5,406	65
Bank borrowings	4,544	(17,589)
Net cash from/(used in) financing activities	2,520	(17,524)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,112)	(7,057)
CASH AND CASH EQUIVALENTS AT BEGINNING	23,599	24,433
CASH AND CASH EQUIVALENTS AT END	16,487	17,376
Represented by:		
Cash and cash equivalents	16,573	17,376
Bank overdrafts	(86)	-
	16,487	17,376

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

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

Interim Report For The Financial Period Ended 31 March 2022

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 2021. 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 2021.

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 2021 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1 January 2022. 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 31 March 2022.

6. Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debts and equity security up to the date of this report other than the allotment of 11,626,115 ordinary shares at RM0.465 per share pursuant to the dividend reinvestment plan.

7. Dividend Paid

The Company has on 19 January 2022 paid RM2,024,304 cash dividend pursuant to the 4 sen first interim dividend (with dividend reinvestment plan) for the financial year ended 31 December 2021.

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 31 March 2022 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 31 March 2022.

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	38,128	2,860

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 31 March 2022 rose 24.12% from RM90.42 million recorded in corresponding period of preceding year to RM112.23 million driven by higher average selling price of broiler and eggs.

Pre-tax profit reduced by RM3.12 million from RM4.56 million recorded in corresponding period of preceding year to RM1.43 million for the quarter and year under review mainly due to higher raw material cost and lower fair value gain on biological assets.

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

Group revenue for quarter to 31 March 2022 increased by 0.25% to RM112.23 million compared to RM111.95 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher sales quantity and average selling price of eggs during the quarter under review.

Pre-tax profit decreased by RM6.44 million to RM1.43 million mainly due to lower fair value gain on biological assets.

3. Commentary on Prospects

The Company foresees many challenges ahead in the current financial year. Continuing high cost of imported raw material used in the manufacturing of feed in addition to inflationary pressure on the overall economy is expected to affect the Group's performance adversely. The Group will continue to be more proactive in our operational planning in order to mitigate and minimise the significance of such impact.

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 31-3-2022 RM'000	Current Year To Date 31-3-2022 RM'000
Interest income	32	32
Other income (including investment income)	317	317
Interest expense	(1,149)	(1,149)
Depreciation and amortization	(4,128)	(4,128)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	68	68
Gain on foreign exchange	-	-
Fair value loss on derivative instruments	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2022 RM'000	Preceding Year Corresponding Quarter 31-3-2021 RM'000	Current Year To Date 31-3-2022 RM'000	Preceding Year Corresponding Period 31-3-2021 RM'000
Current tax	(1,775)	(433)	(1,775)	(433)
Deferred tax	1,914	(981)	1,914	(981)
Total	139	(1,414)	139	(1,414)

The Group's effective tax rate for the current quarter ended 31 March 2022 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 2022 are as follows: -

	31-3-2022 RM'000	31-12-2021 RM'000
<i>Current liabilities</i>		
Secured	10,842	10,048
Unsecured	97,293	94,684
	<u>108,135</u>	<u>104,732</u>
 <i>Non-current liabilities</i>		
Secured	44,480	43,245
Unsecured	900	1,035
	<u>45,380</u>	<u>44,280</u>
	<u>153,515</u>	<u>149,012</u>

All borrowings are in Ringgit Malaysia.

9. Material Litigation

There was no material litigation during the financial period.

10. Proposed Dividends

The Company did not propose any dividend payment for the financial period ended 31 March 2022.

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 31-3-2022	Preceding Year Quarter 31-3-2021	Current Year To Date 31-3-2022	Preceding Year To Date 31-3-2021
Basic earnings per share				
Profit for the period (RM'000)	1,604	3,368	1,604	3,368
Weighted average number of ordinary shares in issue (in thousands)	194,933	172,425	194,933	172,425
Basic earnings per share (Sen)	0.82	1.95	0.82	1.95
Diluted earnings per share				
Profit for the period (RM'000)	1,604	3,368	1,604	3,368
Weighted average number of ordinary shares in issue (basic) (in thousands)	194,933	172,425	194,933	172,425
Effect of share options (in thousands)	2,186	252	2,186	252
Weighted average number of ordinary shares in issue (in thousands)	197,119	172,677	197,119	172,677
Diluted earnings per share (Sen)	0.81	1.95	0.81	1.95

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 31st day of May 2022