



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

**Condensed Consolidated Financial Statements  
for the Quarter Ended 30 June 2022**



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Financial Position**  
As At 30 June 2022

	<b>30 Jun 2022</b> (RM'000)	<b>31 Dec 2021</b> (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	357,344	348,881
Right-of-use assets	49	55
Investment properties	44,330	44,330
Goodwill	5,241	5,241
Investment in associates	2,522	2,522
	<u>409,486</u>	<u>401,029</u>
<b>Current assets</b>		
Inventories	34,985	25,028
Biological assets	44,239	48,367
Trade receivables	18,870	19,340
Other receivables, deposits and prepayments	9,619	9,581
Investment securities	1,135	1,359
Current tax assets	1,363	3,484
Short term placement with a financial institution	11,080	13,116
Cash and bank balances	11,488	10,609
	<u>132,779</u>	<u>130,884</u>
<b>TOTAL ASSETS</b>	<u>542,265</u>	<u>531,913</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	102,528	97,122
Treasury shares	(1,622)	(1,622)
ESS reserve	1,568	1,568
Retained profits	221,793	217,173
	<u>324,267</u>	<u>314,241</u>
Non-controlling interests	(5,343)	(5,289)
<b>Total equity</b>	<u>318,924</u>	<u>308,952</u>
<b>Non-current liabilities</b>		
Borrowings	50,948	44,280
Lease liabilities	37	44
Deferred tax liabilities	17,199	19,091
	<u>68,184</u>	<u>63,415</u>
<b>Current liabilities</b>		
Trade payables	29,578	36,460
Other payables and accruals	21,370	10,730
Lease liabilities	13	13
Borrowings	103,451	104,732
Dividend payable	-	7,430
Current tax liabilities	745	181
	<u>155,157</u>	<u>159,546</u>
<b>Total liabilities</b>	<u>223,341</u>	<u>222,961</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>542,265</u>	<u>531,913</u>
Net assets per share attributable to shareholders of the company (RM)	1.64	1.69



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Comprehensive Income  
For The Financial Period Ended 30 June 2022**

	<u>2022</u> Current qtr ended 30-Jun (RM'000)	<u>2021</u> Current qtr ended 30-Jun (RM'000)	<u>2022</u> 6 months cumulative To-date (RM'000)	<u>2021</u> 6 months cumulative To-date (RM'000)
<b>Revenue</b>	116,747	95,732	228,978	186,152
Operating expenses	(111,220)	(101,641)	(221,286)	(186,703)
Other income	<u>506</u>	<u>748</u>	<u>891</u>	<u>984</u>
<b>Profit/(Loss) from operations</b>	6,033	(5,161)	8,583	433
Finance income	23	49	55	84
Finance costs	<u>(1,221)</u>	<u>(1,178)</u>	<u>(2,370)</u>	<u>(2,250)</u>
<b>Profit/(Loss) before taxation</b>	4,835	(6,290)	6,268	(1,733)
Taxation	<u>(1,841)</u>	<u>526</u>	<u>(1,702)</u>	<u>(888)</u>
<b>Profit/(Loss) for the period</b>	2,994	(5,764)	4,566	(2,621)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>2,994</u></u>	<u><u>(5,764)</u></u>	<u><u>4,566</u></u>	<u><u>(2,621)</u></u>
<b>Attributable to:</b>				
<b>Owners of the Company</b>	3,016	(5,444)	4,620	(2,075)
<b>Non-controlling interests</b>	(22)	(320)	(54)	(546)
<b>Profit/(loss) for the period</b>	<u><u>2,994</u></u>	<u><u>(5,764)</u></u>	<u><u>4,566</u></u>	<u><u>(2,621)</u></u>
<b>Attributable to:</b>				
<b>Owners of the Company</b>	3,016	(5,444)	4,620	(2,075)
<b>Non-controlling interests</b>	(22)	(320)	(54)	(546)
<b>Comprehensive income/(loss) for the period</b>	<u><u>2,994</u></u>	<u><u>(5,764)</u></u>	<u><u>4,566</u></u>	<u><u>(2,621)</u></u>
<b>Earnings/(Loss) per share attributable to equity holders of the parent</b>				
- Basic (sen)	<u><u>1.53</u></u>	<u><u>(3.07)</u></u>	<u><u>2.36</u></u>	<u><u>(1.19)</u></u>
- Diluted (sen)	<u><u>1.50</u></u>	<u><u>(2.97)</u></u>	<u><u>2.33</u></u>	<u><u>(1.16)</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 2021.



## PWF CORPORATION BHD

### Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 June 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
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	4,620	4,620	(54)	4,566
<b>Transactions with owners:</b>							
Shares issued, pursuant to:							
-Dividend reinvestment plan	5,406	-	-	-	5,406	-	5,406
Balance at end	102,528	(1,622)	1,568	221,793	324,267	(5,343)	318,924

### Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 June 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
<b>Total comprehensive loss for the period</b>	-	-	-	(2,075)	(2,075)	(546)	(2,621)
<b>Transactions with owners:</b>							
Shares issued, pursuant to:							
-Exercise of ESS options	4,295	-	(171)	-	4,124	-	4,124
-Exercise of warrants	64	-	-	-	64	-	64
Balance at end	93,217	(1,622)	1,576	220,891	314,062	(4,840)	309,222

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 30 June 2022**

	<b>6 months ended 30 Jun 2022 (RM'000)</b>	<b>6 months ended 30 Jun 2021 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	6,268	(1,733)
Adjustments for :		
Non-cash items	20,042	16,490
Non-operating items	<u>2,112</u>	<u>2,166</u>
Operating profit before changes in working capital	28,422	16,923
Net changes in current assets	(17,197)	(14,604)
Net changes in current liabilities	<u>3,750</u>	<u>4,524</u>
Cash from operations	14,975	6,843
Income tax paid	(910)	(1,302)
Finance cost paid	(2,370)	(2,250)
Finance income received	<u>55</u>	<u>84</u>
Net cash from operating activities	11,750	3,375
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment securities	(121)	(2,294)
Acquisition of property, plant and equipment	(16,570)	(6,977)
Dividend received	2	-
Proceeds from disposal of investment securities	210	2,724
Proceeds from disposal of property, plant and equipment	<u>208</u>	<u>424</u>
Net cash used in investing activities	(16,271)	(6,123)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,024)	-
Proceeds from issuance of shares	-	668
Bank borrowings	<u>5,514</u>	<u>(6,612)</u>
Net cash from/(used in) financing activities	<u>3,490</u>	<u>(5,944)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,031)	(8,692)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<u>23,599</u>	<u>24,433</u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u>22,568</u></u>	<u><u>15,741</u></u>
<b>Represented by:</b>		
Cash and cash equivalents	22,568	15,741
Bank overdrafts	<u>-</u>	<u>-</u>
	<u><u>22,568</u></u>	<u><u>15,741</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 2021.

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

**Interim Report For The Financial Period Ended 30 June 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 30 June 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 30 June 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 30 June 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	26,253	22,347

## **B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**

### **1. Review of Performance**

Group revenue for the quarter and year ended 30 June 2022 rose 21.95% and 23.01% respectively from RM95.73 million and RM186.15 million recorded in corresponding period of preceding year to RM116.75 million and RM228.98 million. The higher revenue were driven by higher average selling price of broiler and eggs.

Pre-tax profit increased by RM11.12 million from pre-tax loss of RM6.29 million recorded in corresponding period of preceding year to RM4.84 million for the quarter. Pre-tax profit for the year to 30 June 2022 also improved from loss of RM1.73 million to profit of RM6.27 million. The improved performance were mainly due to higher average selling price of broiler and eggs, and subsidies from government.

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

Group revenue for quarter to 30 June 2022 increased by 4.02% to RM116.75 million compared to RM112.23 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher average selling price of broiler during the quarter under review.

Pre-tax profit increased by RM3.41 million to RM4.84 million compared to RM1.43 million recorded in the immediate preceding quarter mainly due to subsidies received from government and improved fair value gain on biological assets.

### **3. Commentary on Prospects**

The Company is cautiously optimistic of the performance of the Group for financial year 2022. General economic environment remain challenging and uncertain going forward. Elevated cost of imported raw material and inflation are a major concern that affect bottom line of our business. The Group will seek to mitigate these risks while aiming for better farm yield and productivity.

### **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):-

	<b>Current Year Quarter 30-6-2022 RM'000</b>	<b>Current Year To Date 30-6-2022 RM'000</b>
Interest income	23	55
Other income (including investment income)	506	823
Interest expense	(1,221)	(2,370)
Depreciation and amortization	(3,970)	(8,098)
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
Gain on foreign exchange	-	-
Fair value loss on derivative instruments	-	-

## 6. Taxation

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Current Year Quarter 30-6-2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-6-2021 RM'000</b>	<b>Current Year To Date 30-6-2022 RM'000</b>	<b>Preceding Year Corresponding Period 30-6-2021 RM'000</b>
Current tax	(1,819)	8	(3,594)	(425)
Deferred tax	(22)	518	1,892	(463)
Total	<u>(1,841)</u>	<u>526</u>	<u>(1,702)</u>	<u>(888)</u>

The Group's effective tax rate for the current quarter ended 30 June 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 30 June 2022 are as follows: -

	30-6-2022 RM'000	31-12-2021 RM'000
<i>Current liabilities</i>		
Secured	11,314	10,048
Unsecured	92,137	94,684
	<u>103,451</u>	<u>104,732</u>
<i>Non-current liabilities</i>		
Secured	50,183	43,245
Unsecured	765	1,035
	<u>50,948</u>	<u>44,280</u>
	<u>154,399</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 has proposed a first interim single tier dividend of 2.50 sen per ordinary share for the financial year ending 31 December 2022, which is to be paid on 29 September 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.

	<b>Current Year Quarter 30-6-2022</b>	<b>Preceding Year Quarter 30-6-2021</b>	<b>Current Year To Date 30-6-2022</b>	<b>Preceding Year To Date 30-6-2021</b>
<b>Basic earnings per share</b>				
Profit/(Loss) for the period (RM'000)	3,016	(5,444)	4,620	(2,075)
Weighted average number of ordinary shares in issue (in thousands)	197,387	177,202	196,167	174,828
Basic earnings/(loss) per share (Sen)	1.53	(3.07)	2.36	(1.19)
<b>Diluted earnings per share</b>				
Profit/(Loss) for the period (RM'000)	3,016	(5,444)	4,620	(2,075)
Weighted average number of ordinary shares in issue (basic) (in thousands)	197,387	177,202	196,167	174,828
Effect of share options (in thousands)	3,268	5,898	2,186	4,722
Weighted average number of ordinary shares in issue (in thousands)	200,655	183,100	198,353	179,550
Diluted earnings/(loss) per share (Sen)	1.50	(2.97)	2.33	(1.16)

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 30<sup>th</sup> day of August 2022