



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

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



PWF CORPORATION BHD.

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

| | 30 Sep 2022 (RM'000) | 31 Dec 2021 (RM'000) |
|---|--------------------------------|--------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 330,955 | 348,881 |
| Right-of-use assets | 45 | 55 |
| Investment properties | 44,330 | 44,330 |
| Goodwill | - | 5,241 |
| Investment in associates | 2,522 | 2,522 |
| | <u>377,852</u> | <u>401,029</u> |
| Current assets | | |
| Inventories | 23,776 | 25,028 |
| Biological assets | 53,652 | 48,367 |
| Trade receivables | 20,624 | 19,340 |
| Other receivables, deposits and prepayments | 10,215 | 9,581 |
| Investment securities | 984 | 1,359 |
| Derivative financial assets | 211 | - |
| Current tax assets | 1,294 | 3,484 |
| Short term placement with a financial institution | - | 13,116 |
| Cash and bank balances | 16,256 | 10,609 |
| | <u>127,012</u> | <u>130,884</u> |
| TOTAL ASSETS | <u><u>504,864</u></u> | <u><u>531,913</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 102,534 | 97,122 |
| Treasury shares | (1,622) | (1,622) |
| ESS reserve | 1,534 | 1,568 |
| Retained profits | 219,582 | 217,173 |
| | <u>322,028</u> | <u>314,241</u> |
| Non-controlling interests | (5,243) | (5,289) |
| Total equity | <u>316,785</u> | <u>308,952</u> |
| Non-current liabilities | | |
| Borrowings | 50,705 | 44,280 |
| Lease liabilities | 34 | 44 |
| Deferred tax liabilities | 16,714 | 19,091 |
| | <u>67,453</u> | <u>63,415</u> |
| Current liabilities | | |
| Trade payables | 28,725 | 36,460 |
| Other payables and accruals | 8,292 | 10,730 |
| Lease liabilities | 13 | 13 |
| Borrowings | 82,765 | 104,732 |
| Dividend payable | - | 7,430 |
| Current tax liabilities | 831 | 181 |
| | <u>120,626</u> | <u>159,546</u> |
| Total liabilities | <u>188,079</u> | <u>222,961</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>504,864</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 30 September 2022**

| | <u>2022</u> Current qtr ended 30-Sep (RM'000) | <u>2021</u> Current qtr ended 30-Sep (RM'000) | <u>2022</u> 9 months cumulative To-date (RM'000) | <u>2021</u> 9 months cumulative To-date (RM'000) |
|---|---|---|--|--|
| Revenue | 151,664 | 95,451 | 380,642 | 281,603 |
| Operating expenses | (147,682) | (98,010) | (368,968) | (284,713) |
| Other income | <u>377</u> | <u>237</u> | <u>1,268</u> | <u>1,221</u> |
| Profit/(Loss) from operations | 4,359 | (2,322) | 12,942 | (1,889) |
| Finance income | 48 | 48 | 103 | 132 |
| Finance costs | <u>(1,249)</u> | <u>(1,327)</u> | <u>(3,619)</u> | <u>(3,577)</u> |
| Profit/(Loss) before taxation | 3,158 | (3,601) | 9,426 | (5,334) |
| Taxation | <u>(367)</u> | <u>202</u> | <u>(2,069)</u> | <u>(686)</u> |
| Profit/(Loss) for the period | 2,791 | (3,399) | 7,357 | (6,020) |
| Other comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income/(loss) for the period | <u><u>2,791</u></u> | <u><u>(3,399)</u></u> | <u><u>7,357</u></u> | <u><u>(6,020)</u></u> |
| Attributable to: | | | | |
| Owners of the Company | 2,691 | (3,194) | 7,311 | (5,269) |
| Non-controlling interests | <u>100</u> | <u>(205)</u> | <u>46</u> | <u>(751)</u> |
| Profit/(loss) for the period | <u><u>2,791</u></u> | <u><u>(3,399)</u></u> | <u><u>7,357</u></u> | <u><u>(6,020)</u></u> |
| Attributable to: | | | | |
| Owners of the Company | 2,691 | (3,194) | 7,311 | (5,269) |
| Non-controlling interests | <u>100</u> | <u>(205)</u> | <u>46</u> | <u>(751)</u> |
| Comprehensive income/(loss) for the period | <u><u>2,791</u></u> | <u><u>(3,399)</u></u> | <u><u>7,357</u></u> | <u><u>(6,020)</u></u> |
| Earnings/(Loss) per share attributable to equity holders of the parent | | | | |
| - Basic (sen) | <u>1.36</u> | <u>(1.73)</u> | <u>3.72</u> | <u>(2.96)</u> |
| - Diluted (sen) | <u><u>1.34</u></u> | <u><u>(1.73)</u></u> | <u><u>3.68</u></u> | <u><u>(2.88)</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 September 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 for the period | - | - | - | 7,311 | 7,311 | 46 | 7,357 |
| Transactions with owners: | | | | | | | |
| Shares issued, pursuant to: | | | | | | | |
| -Dividend reinvestment plan | 5,406 | - | - | - | 5,406 | - | 5,406 |
| -Exercise of ESS options | 6 | - | (1) | - | 5 | - | 5 |
| Share-based payment transaction: | | | | | | | |
| -Lapsed due to resignation | - | - | (33) | 33 | - | - | - |
| Dividends | - | - | - | (4,935) | (4,935) | - | (4,935) |
| Balance at end | 102,534 | (1,622) | 1,534 | 219,582 | 322,028 | (5,243) | 316,785 |

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 September 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 loss for the period | - | - | - | (5,269) | (5,269) | (751) | (6,020) |
| Transactions with owners: | | | | | | | |
| Shares issued, pursuant to: | | | | | | | |
| -Exercise of ESS options | 4,316 | - | (175) | - | 4,141 | - | 4,141 |
| -Exercise of warrants | 3,947 | - | - | - | 3,947 | - | 3,947 |
| Balance at end | 97,121 | (1,622) | 1,572 | 217,697 | 314,768 | (5,045) | 309,723 |

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 September 2022**

| | 9 months ended 30 Sep 2022 (RM'000) | 9 months ended 30 Sep 2021 (RM'000) |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 9,426 | (5,334) |
| Adjustments for : | | |
| Non-cash items | 57,285 | 16,747 |
| Non-operating items | <u>3,143</u> | <u>3,445</u> |
| Operating profit before changes in working capital | 69,854 | 14,858 |
| Net changes in current assets | (8,799) | (14,743) |
| Net changes in current liabilities | <u>(10,184)</u> | <u>4,318</u> |
| Cash from operations | 50,871 | 4,433 |
| Income tax paid | (1,607) | (1,831) |
| Finance cost paid | (3,619) | (3,577) |
| Finance income received | <u>103</u> | <u>132</u> |
| Net cash from/(used in) operating activities | 45,748 | (843) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of investment securities | (121) | (2,311) |
| Acquisition of property, plant and equipment | (30,980) | (9,532) |
| Dividend received | 8 | - |
| Proceeds from disposal of investment securities | 210 | 2,759 |
| Proceeds from disposal of property, plant and equipment | <u>161</u> | <u>507</u> |
| Net cash used in investing activities | (30,722) | (8,577) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (6,959) | - |
| Proceeds from issuance of shares | 5 | 4,570 |
| Bank borrowings | <u>(15,415)</u> | <u>1,322</u> |
| Net cash (used in)/from financing activities | <u>(22,369)</u> | <u>5,892</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (7,343) | (3,528) |
| CASH AND CASH EQUIVALENTS AT BEGINNING | <u>23,599</u> | <u>24,433</u> |
| CASH AND CASH EQUIVALENTS AT END | <u><u>16,256</u></u> | <u><u>20,905</u></u> |
| Represented by: | | |
| Cash and cash equivalents | 16,256 | 21,120 |
| Bank overdrafts | <u>-</u> | <u>(215)</u> |
| | <u><u>16,256</u></u> | <u><u>20,905</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 September 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 September 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:

- i. allotment of 11,626,115 ordinary shares at RM0.465 per share pursuant to dividend reinvestment plan, and
- ii. exercise of 12,000 ESS Option at RM0.406 per share.

7. Dividend Paid

The Company has paid the following dividends:

- i. First interim single tier dividend of 4.00 sen (with dividend reinvestment plan) per ordinary share in respect of the financial year ended 31 December 2021 amounting to RM2,024,304 on 19 January 2022; and
- ii. First interim single tier dividend of 2.50 sen per ordinary share in respect of the financial year ending 31 December 2022 amounting to RM4,934,987 on 29 September 2022;

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 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 September 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 | 43,066 | 20,221 |

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 30 September 2022 rose 58.89% and 35.17% respectively from RM95.45 million and RM281.60 million recorded in corresponding period of preceding year to RM151.66 million and RM380.64 million. The higher revenue was driven by higher average selling price of broiler and eggs.

Pre-tax profit increased by RM6.76 million from pre-tax loss of RM3.60 million recorded in corresponding period of preceding year to RM3.16 million for the quarter. Pre-tax profit for the year to 30 September 2022 also improved from loss of RM5.33 million to profit of RM9.43 million. The improved performance was 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 September 2022 increased by 29.91% to RM151.66 million compared to RM116.75 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher sales quantity of broiler and eggs during the quarter under review.

Pre-tax profit decreased by RM1.67 million to RM3.16 million compared to RM4.83 million recorded in the immediate preceding quarter mainly due to lower average selling price of broiler.

3. Commentary on Prospects

The Company is cautiously optimistic of the performance of the Group for the remainder of financial year 2022. Overall economic environment remain challenging as slowdown in other sector may dampen general consumption level. Continuing elevated cost of imported raw material, inflationary pressure are affecting bottom line of our business. The Group has implemented measures and reinforced our strategy to counter the adverse impacts from these factors.

4. Profit Forecast

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

5. Profit/(Loss) for the Period

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

| | Current Year Quarter 30-9-2022 RM'000 | Current Year To Date 30-9-2022 RM'000 |
|--|--|--|
| Interest income | 48 | 103 |
| Other income (including investment income) | 377 | 1,200 |
| Interest expense | (1,249) | (3,619) |
| Depreciation and amortization | (4,056) | (12,154) |
| Write off of goodwill | (5,241) | (5,241) |
| Provision for and write off of receivables | (450) | (450) |
| 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

| | Individual Quarter | | Cumulative Quarters | |
|--------------|--|--|--|---|
| | Current Year Quarter 30-9-2022 RM'000 | Preceding Year Corresponding Quarter 30-9-2021 RM'000 | Current Year To Date 30-9-2022 RM'000 | Preceding Year Corresponding Period 30-9-2021 RM'000 |
| Current tax | (853) | (770) | (4,447) | (1,195) |
| Deferred tax | (486) | 972 | 2,378 | 509 |
| Total | (367) | 202 | (2,069) | (686) |

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

| | 30-9-2022 RM'000 | 31-12-2021 RM'000 |
|------------------------------------|---------------------|----------------------|
| <i>Current liabilities</i> | | |
| Secured | 11,814 | 10,048 |
| Unsecured | 70,951 | 94,684 |
| | <u>82,765</u> | <u>104,732</u> |
| <i>Non-current liabilities</i> | | |
| Secured | 50,075 | 43,245 |
| Unsecured | 630 | 1,035 |
| | <u>50,705</u> | <u>44,280</u> |
| | <u>133,470</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 30 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.

| | Current Year Quarter 30-9-2022 | Preceding Year Quarter 30-9-2021 | Current Year To Date 30-9-2022 | Preceding Year To Date 30-9-2021 |
|--|---|---|---|---|
| Basic earnings per share | | | | |
| Profit/(Loss) for the period (RM'000) | 2,691 | (3,194) | 7,311 | (5,269) |
| Weighted average number of ordinary shares in issue (in thousands) | 197,390 | 184,524 | 196,579 | 178,095 |
| Basic earnings/(loss) per share (Sen) | 1.36 | (1.73) | 3.72 | (2.96) |
| Diluted earnings per share | | | | |
| Profit/(Loss) for the period (RM'000) | 2,691 | (3,194) | 7,311 | (5,269) |
| Weighted average number of ordinary shares in issue (basic) (in thousands) | 197,390 | 184,524 | 196,579 | 178,095 |
| Effect of share options (in thousands) | 3,188 | 4 | 2,133 | 4,608 |
| Weighted average number of ordinary shares in issue (in thousands) | 200,578 | 184,528 | 198,712 | 182,703 |
| Diluted earnings/(loss) per share (Sen) | 1.34 | (1.73) | 3.68 | (2.88) |

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of November 2022