



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

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



**PWF CORPORATION BHD.**

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

	<b>31 Dec 2022</b> (RM'000)	<b>31 Dec 2021</b> (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	334,531	348,881
Right-of-use assets	42	55
Investment properties	53,894	44,330
Goodwill	-	5,241
Investment in associates	652	2,522
	<u>389,119</u>	<u>401,029</u>
<b>Current assets</b>		
Inventories	24,852	25,028
Biological assets	47,479	48,367
Trade receivables	21,166	19,340
Other receivables, deposits and prepayments	10,977	9,581
Investment securities	1,086	1,359
Current tax assets	4,563	3,484
Short term placement with a financial institution	8,022	13,116
Cash and bank balances	19,053	10,609
	<u>137,198</u>	<u>130,884</u>
<b>TOTAL ASSETS</b>	<u><u>526,317</u></u>	<u><u>531,913</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	104,341	97,122
Treasury shares	(1,622)	(1,622)
ESS reserve	4,069	1,568
Retained profits	222,111	217,173
	<u>328,899</u>	<u>314,241</u>
Non-controlling interests	(5,257)	(5,289)
<b>Total equity</b>	<u>323,642</u>	<u>308,952</u>
<b>Non-current liabilities</b>		
Borrowings	50,231	44,280
Lease liabilities	31	44
Deferred tax liabilities	16,324	19,091
	<u>66,586</u>	<u>63,415</u>
<b>Current liabilities</b>		
Trade payables	40,255	36,460
Other payables and accruals	19,780	10,730
Lease liabilities	13	13
Borrowings	70,894	104,732
Dividend payable	5,030	7,430
Derivative financial liabilities	101	-
Current tax liabilities	16	181
	<u>136,089</u>	<u>159,546</u>
<b>Total liabilities</b>	<u>202,675</u>	<u>222,961</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>526,317</u></u>	<u><u>531,913</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.63	1.69



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Comprehensive Income  
For The Financial Year Ended 31 December 2022**

	<u>2022</u> Current qtr ended 31-Dec (RM'000)	<u>2021</u> Current qtr ended 31-Dec (RM'000)	<u>2022</u> 12 months cumulative To-date (RM'000)	<u>2021</u> 12 months cumulative To-date (RM'000)
<b>Revenue</b>	139,498	111,949	486,324	393,552
Operating expenses	(143,791)	(103,835)	(512,759)	(388,548)
Other income	<u>11,857</u>	<u>904</u>	<u>46,941</u>	<u>2,125</u>
<b>Profit from operations</b>	7,564	9,018	20,506	7,129
Finance income	65	79	168	211
Finance costs	(1,244)	(1,228)	(4,863)	(4,805)
Share of results of an associate	<u>(80)</u>	<u>-</u>	<u>(80)</u>	<u>-</u>
<b>Profit before taxation</b>	6,305	7,869	15,731	2,535
Taxation	<u>1,240</u>	<u>(1,211)</u>	<u>(829)</u>	<u>(1,897)</u>
<b>Profit for the period</b>	7,545	6,658	14,902	638
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>7,545</u></u>	<u><u>6,658</u></u>	<u><u>14,902</u></u>	<u><u>638</u></u>
<b>Attributable to:</b>				
<b>Owners of the Company</b>	7,559	6,902	14,870	1,633
<b>Non-controlling interests</b>	(14)	(244)	32	(995)
<b>Profit for the period</b>	<u><u>7,545</u></u>	<u><u>6,658</u></u>	<u><u>14,902</u></u>	<u><u>638</u></u>
<b>Attributable to:</b>				
<b>Owners of the Company</b>	7,559	6,902	14,870	1,633
<b>Non-controlling interests</b>	(14)	(244)	32	(995)
<b>Comprehensive income for the period</b>	<u><u>7,545</u></u>	<u><u>6,658</u></u>	<u><u>14,902</u></u>	<u><u>638</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
- Basic (sen)	<u><u>3.82</u></u>	<u><u>3.72</u></u>	<u><u>7.55</u></u>	<u><u>0.90</u></u>
- Diluted (sen)	<u><u>3.75</u></u>	<u><u>3.61</u></u>	<u><u>7.47</u></u>	<u><u>0.88</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 Year Ended 31 December 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 for the period</b>	-	-	-	14,870	14,870	32	14,902
<b>Transactions with owners:</b>							
Shares issued, pursuant to:							
-Dividend reinvestment plan	5,406	-	-	-	5,406	-	5,406
-Exercise of ESS options	61	-	(13)	-	48	-	48
-Issuance of ESS shares	1,752	-	(1,752)	-	-	-	-
Share-based payment transaction:							
-Granting of ESS shares	-	-	4,299	-	4,299	-	4,299
-Lapsed due to resignation	-	-	(33)	33	-	-	-
Dividends	-	-	-	(9,965)	(9,965)	-	(9,965)
Balance at end	104,341	(1,622)	4,069	222,111	328,899	(5,257)	323,642

### Condensed Consolidated Statement of Changes in Equity For The Financial Year Ended 31 December 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 income/(loss) for the period</b>	-	-	-	1,633	1,633	(995)	638
<b>Transactions with owners:</b>							
Shares issued, pursuant to:							
-Exercise of ESS options	797	-	(175)	-	622	-	622
-Issuance of ESS shares	3,520	-	-	-	3,520	-	3,520
-Exercise of warrants	3,947	-	-	-	3,947	-	3,947
Share-based payment transaction:							
-Lapsed due to resignation	-	-	(4)	4	-	-	-
Dividends	-	-	-	(7,430)	(7,430)	-	(7,430)
Balance at end	97,122	(1,622)	1,568	217,173	314,241	(5,289)	308,952

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 Year Ended 31 December 2022**

	<b>31 Dec 2022</b> (RM'000)	<b>31 Dec 2021</b> (RM'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	15,731	2,535
Adjustments for :		
Non-cash items	76,411	27,517
Non-operating items	<u>4,514</u>	<u>3,537</u>
Operating profit before changes in working capital	96,656	33,589
Net changes in current assets	(19,276)	(9,096)
Net changes in current liabilities	<u>12,831</u>	<u>9,967</u>
Cash from operations	90,211	34,460
Income tax paid	(4,841)	(2,552)
Finance cost paid	(4,863)	(4,802)
Finance income received	<u>168</u>	<u>211</u>
Net cash from operating activities	80,675	27,317
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment securities	(121)	(2,311)
Acquisition of property, plant and equipment	(43,326)	(14,243)
Dividend received	10	18
Investment in an associate	-	(2,523)
Proceeds from disposal of investment securities	210	2,755
Proceeds from disposal of property, plant and equipment	<u>698</u>	<u>2,700</u>
Net cash used in investing activities	(42,529)	(13,604)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(6,959)	-
Proceeds from issuance of shares	48	4,570
Bank borrowings	<u>(27,759)</u>	<u>(19,117)</u>
Net cash used in financing activities	<u>(34,670)</u>	<u>(14,547)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,476	(834)
<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>27,075</u></u>	<u><u>23,599</u></u>
<b>Represented by:</b>		
Cash and cash equivalents	27,075	23,725
Bank overdrafts	<u>-</u>	<u>(126)</u>
	<u><u>27,075</u></u>	<u><u>23,599</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 31 December 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 December 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,
- ii. allotment of 172,000 ESS Option at RM0.406 per share, and
- iii. allotment of 8,814,000 ESS shares at RM0.473 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;
- ii. First interim single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM4,934,987 on 29 September 2022; and
- iii. Second interim single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM5,030,337 on 13 January 2023.

## **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 December 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 year ended 31 December 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	38,066	16,652

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

### 1. Review of Performance

Group revenue for the quarter and year ended 31 December 2022 rose 24.61% and 23.57% respectively from RM111.95 million and RM393.55 million recorded in corresponding period of preceding year to RM139.50 million and RM486.32 million. The higher revenue was driven by higher average selling price of broiler and eggs.

Pre-tax profit for the quarter ended 31 December 2022 decreased by RM1.56 million from RM7.87 million recorded in corresponding period of preceding year to RM6.31 million due to higher operating cost. Pre-tax profit for the year to 31 December 2022 improved from RM2.54 million to RM15.73 million 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 31 December 2022 increased by 12.10% to RM139.50 million compared to RM124.44 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher sales quantity and average selling price of broiler and eggs during the quarter under review.

Pre-tax profit increased by RM3.15 million to RM6.31 million compared to RM3.16 million recorded in the immediate preceding quarter mainly due to the same reason stated above.

### 3. Commentary on Prospects

The economy has generally been forecasted to grow moderately despite fading effect of pent up demand from Covid-19 lockdown and the inevitable impact of uncertainty and slowdown in external economic environment. The bottom line of the Group will continue to be affected by potential fluctuation in prices of grains which form bulk of the Group's raw material cost, risk of weakening Ringgit and higher operating cost. Nevertheless, the Company is confident that the financial result for the Group will be favourable in financial year 2023 with effective management of its cost and proactive implementation of measures to adapt to changes in the external environment.



#### 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 31-12-2022 RM'000</b>	<b>Current Year To Date 31-12-2022 RM'000</b>
Interest income	65	168
Other income (including investment income)	11,564	46,580
Interest expense	(1,244)	(4,863)
Depreciation and amortization	(13,921)	(26,075)
Impairment of property, plant and equipment	(7,248)	(7,248)
Provision for and write off of receivables	(1,034)	(1,484)
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	293	361
Loss on foreign exchange	(242)	(242)
Fair value loss on derivative instruments	(101)	(101)

#### 6. Taxation

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Current Year Quarter 31-12-2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-12-2021 RM'000</b>	<b>Current Year To Date 31-12-2022 RM'000</b>	<b>Preceding Year Corresponding Period 31-12-2021 RM'000</b>
Current tax	821	(932)	(3,626)	(2,127)
Real property gains tax	30	(172)	30	(172)
Deferred tax	389	(107)	2,767	402
Total	1,240	(1,211)	(829)	(1,897)

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

	31-12-2022 RM'000	31-12-2021 RM'000
<i>Current liabilities</i>		
Secured	9,546	10,048
Unsecured	61,348	94,684
	70,894	104,732
 <i>Non-current liabilities</i>		
Secured	45,918	43,245
Unsecured	4,313	1,035
	50,231	44,280
	121,125	149,012

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 during the quarter ended 31 December 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 31-12-2022</b>	<b>Preceding Year Quarter 31-12-2021</b>	<b>Current Year To Date 31-12-2022</b>	<b>Preceding Year To Date 31-12-2021</b>
<b>Basic earnings per share</b>				
Profit for the period (RM'000)	7,559	6,902	14,870	1,633
Weighted average number of ordinary shares in issue (in thousands)	198,057	185,761	196,952	181,612
Basic earnings per share (Sen)	3.82	3.72	7.55	0.90
<b>Diluted earnings per share</b>				
Profit for the period (RM'000)	7,559	6,902	14,870	1,633
Weighted average number of ordinary shares in issue (basic) (in thousands)	198,057	185,761	196,952	181,612
Effect of share options (in thousands)	3,550	5,174	1,995	4,078
Weighted average number of ordinary shares in issue (in thousands)	201,607	190,935	198,947	185,690
Diluted earnings per share (Sen)	3.75	3.61	7.47	0.88

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 28<sup>th</sup> day of February 2023