



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

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2023**



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2023**

	31 Mar 2023 (RM'000)	31 Dec 2022 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	339,776	334,510
Right-of-use assets	38	42
Investment properties	53,894	53,894
Investment in associates	652	652
	<u>394,360</u>	<u>389,098</u>
Current assets		
Inventories	26,063	24,852
Biological assets	42,304	47,479
Trade receivables	22,400	21,179
Other receivables, deposits and prepayments	9,575	10,986
Investment securities	200	1,086
Current tax assets	5,601	4,563
Short term placement with a financial institution	4,050	8,022
Cash and bank balances	11,768	19,053
	<u>121,961</u>	<u>137,220</u>
TOTAL ASSETS	<u><u>516,321</u></u>	<u><u>526,318</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	106,916	104,341
Treasury shares	(1,622)	(1,622)
ESS reserve	1,513	4,069
Retained profits	224,459	217,602
	<u>331,266</u>	<u>324,390</u>
Non-controlling interests	(823)	(769)
Total equity	<u>330,443</u>	<u>323,621</u>
Non-current liabilities		
Borrowings	47,320	49,976
Lease liabilities	27	31
Deferred tax liabilities	17,158	16,324
	<u>64,505</u>	<u>66,331</u>
Current liabilities		
Trade payables	33,272	40,268
Other payables and accruals	9,127	19,789
Lease liabilities	14	14
Borrowings	78,402	71,149
Dividend payable	-	5,030
Derivative financial liabilities	-	101
Current tax liabilities	558	15
	<u>121,373</u>	<u>136,366</u>
Total liabilities	<u>185,878</u>	<u>202,697</u>
TOTAL EQUITY AND LIABILITIES	<u><u>516,321</u></u>	<u><u>526,318</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.61	1.60

PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Year Ended 31 March 2023**

	<u>2023</u> Current qtr ended 31-Mar (RM'000)	<u>2022</u> Current qtr ended 31-Mar (RM'000)	<u>2023</u> 3 months cumulative To-date (RM'000)	<u>2022</u> 3 months cumulative To-date (RM'000)
Revenue	141,144	112,231	141,144	112,231
Operating expenses	(131,860)	(110,066)	(131,860)	(110,066)
Other income	854	385	854	385
Profit from operations	10,138	2,550	10,138	2,550
Finance income	66	32	66	32
Finance costs	(1,219)	(1,149)	(1,219)	(1,149)
Share of results of an associate	-	-	-	-
Profit before taxation	8,985	1,433	8,985	1,433
Taxation	(2,185)	139	(2,185)	139
Profit for the period	6,800	1,572	6,800	1,572
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>6,800</u>	<u>1,572</u>	<u>6,800</u>	<u>1,572</u>
Attributable to:				
Owners of the Company	6,854	1,604	6,854	1,604
Non-controlling interests	(54)	(32)	(54)	(32)
Profit for the period	<u>6,800</u>	<u>1,572</u>	<u>6,800</u>	<u>1,572</u>
Attributable to:				
Owners of the Company	6,854	1,604	6,854	1,604
Non-controlling interests	(54)	(32)	(54)	(32)
Comprehensive income for the period	<u>6,800</u>	<u>1,572</u>	<u>6,800</u>	<u>1,572</u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	<u>3.34</u>	<u>0.82</u>	<u>3.34</u>	<u>0.82</u>
- Diluted (sen)	<u>3.29</u>	<u>0.81</u>	<u>3.29</u>	<u>0.81</u>



PWF CORPORATION BHD

Condensed Consolidated Statement of Changes in Equity For The Financial Year Ended 31 March 2023

← 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	104,341	(1,622)	4,069	217,602	324,390	(769)	323,621
Total comprehensive income for the period	-	-	-	6,854	6,854	(54)	6,800
Transactions with owners:							
Shares issued, pursuant to:							
-Exercise of ESS options	29	-	(7)	-	22	-	22
-Issuance of ESS shares	2,546	-	(2,546)	-	-	-	-
Share-based payment transaction:							
-Lapsed due to resignation	-	-	(3)	3	-	-	-
Balance at end	106,916	(1,622)	1,513	224,459	331,266	(823)	330,443

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	102,528	(1,622)	1,568	218,777	321,251	(5,321)	315,930

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Cash Flows
For The Financial Period Ended 31 March 2023**

	31 Mar 2023 (RM'000)	31 Mar 2022 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,985	1,433
Adjustments for :		
Non-cash items	10,804	20,209
Non-operating items	<u>1,103</u>	<u>1,049</u>
Operating profit before changes in working capital	20,892	22,691
Net changes in current assets	(1,769)	(19,974)
Net changes in current liabilities	<u>(17,659)</u>	<u>(6,729)</u>
Cash from/(used in) operations	1,464	(4,012)
Income tax refunded	13	-
Income tax paid	(1,860)	(486)
Finance cost paid	(1,219)	(1,149)
Finance income received	<u>66</u>	<u>32</u>
Net cash used in operating activities	(1,536)	(5,615)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,301)	(4,085)
Proceeds from disposal of investment securities	936	-
Proceeds from disposal of property, plant and equipment	<u>60</u>	<u>68</u>
Net cash used in investing activities	(9,305)	(4,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,030)	(7,430)
Proceeds from issuance of shares	22	5,406
Bank borrowings	<u>4,593</u>	<u>4,544</u>
Net cash (used in)/from financing activities	<u>(415)</u>	<u>2,520</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,256)	(7,112)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>27,074</u>	<u>23,599</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>15,818</u></u>	<u><u>16,487</u></u>
Represented by:		
Cash and cash equivalents	15,818	16,573
Bank overdrafts	<u>-</u>	<u>(86)</u>
	<u><u>15,818</u></u>	<u><u>16,487</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 2022.

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

Interim Report For The Financial Period Ended 31 March 2023

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 2022. 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 2022.

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 2022 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1 January 2023. 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 2023.

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 55,000 ordinary shares at RM0.406 pursuant to exercise of ESS option;
- ii. allotment of 2,448,000 ordinary shares at RM0.47 pursuant to grant of ESS shares;
- iii. allotment of 157,000 ordinary shares at RM0.53 pursuant to grant of ESS shares; and
- iv. allotment of 2,500,000 ordinary shares at RM0.525 pursuant to grant of ESS shares.

7. Dividend Paid

The Company has paid the following dividends:

- i. cash dividend of RM5,030,337 paid on 13 January 2023 in respect of the 2.5 sen second interim dividend for the financial year ended 31 December 2022; and
- ii. cash dividend of RM6,545,884 paid on 15 May 2023 in respect of the 3.0 sen first interim dividend for the financial year ending 31 December 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 March 2023 that have not been reflected in the financial statements other than the allotment of 12,557,600 ordinary shares at RM0.406 pursuant to exercise of ESS option and allotment of 2,624,000 ordinary shares at RM0.718 pursuant to grant of ESS shares.

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 2023.

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	33,222	14,474

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter ended 31 March 2023 rose 25.76% from RM112.23 million recorded in corresponding period of preceding year to RM141.14 million. The higher revenue was driven by higher sales quantity of broiler and eggs.

Pre-tax profit for the quarter ended 31 March 2023 increased by RM7.55 million from RM1.43 million recorded in corresponding period of preceding year to RM8.99 million due to the same reason as abovementioned.

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

Group revenue for quarter to 31 March 2023 increased marginally by 1.25% to RM141.14 million compared to RM139.50 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher sales volume of broiler and eggs during the quarter under review.

Pre-tax profit increased by RM2.70 million to RM8.99 million compared to RM6.29 million recorded in the immediate preceding quarter mainly due to lower raw material cost during the quarter.

3. Commentary on Prospects

The Company is optimistic of its performance for FY2023 in view of the sustainable demand at the back of growth in the domestic economy. However, there are still uncertainties associated with the imminent revision in government policy on chicken and egg prices and volatility in raw material prices. Considering the fluid and changing operating environment, the Company and the Group will continue with proactive and prudent approach to deliver satisfactory result.

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 31-3-2023 RM'000	Current Year To Date 31-3-2023 RM'000
Interest income	66	66
Other income (including investment income)	803	803
Interest expense	(1,219)	(1,219)
Depreciation and amortization	(4,979)	(4,979)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	51	51
Loss on foreign exchange	-	-
Fair value loss on derivative instruments	-	-

6. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31-3-2023 RM'000	Preceding Year Corresponding Quarter 31-3-2022 RM'000	Current Year To Date 31-3-2023 RM'000	Preceding Year Corresponding Period 31-3-2022 RM'000
Current tax	(1,351)	(1,775)	(1,351)	(1,775)
Deferred tax	(834)	1,914	(834)	1,914
Total	<u>(2,185)</u>	<u>139</u>	<u>(2,185)</u>	<u>139</u>

The Group's effective tax rate for the current quarter ended 31 March 2023 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 2023 are as follows: -

	31-3-2023 RM'000	31-12-2022 RM'000
<i>Current liabilities</i>		
Secured	10,392	10,715
Unsecured	68,010	60,434
	<u>78,402</u>	<u>71,149</u>
 <i>Non-current liabilities</i>		
Secured	47,320	49,481
Unsecured	-	495
	<u>47,320</u>	<u>49,976</u>
	<u><u>125,722</u></u>	<u><u>121,125</u></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 declared a second interim cash dividend of 2 sen per ordinary share in respect of the financial year ending 31 December 2023.

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 31-3-2023	Preceding Year Quarter 31-3-2022	Current Year To Date 31-3-2023	Preceding Year To Date 31-3-2022
Basic earnings per share				
Profit for the period (RM'000)	6,854	1,604	6,854	1,604
Weighted average number of ordinary shares in issue (in thousands)	205,461	194,933	205,461	194,933
Basic earnings per share (Sen)	3.34	0.82	3.34	0.82
Diluted earnings per share				
Profit for the period (RM'000)	6,854	1,604	6,854	1,604
Weighted average number of ordinary shares in issue (basic) (in thousands)	205,461	194,933	205,461	194,933
Effect of share options (in thousands)	3,156	2,186	3,156	2,186
Weighted average number of ordinary shares in issue (in thousands)	208,617	197,119	208,617	197,119
Diluted earnings per share (Sen)	3.29	0.81	3.29	0.81

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 31st day of May 2023