



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

**Condensed Consolidated Financial Statements  
for the Quarter Ended 30 June 2023**



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Financial Position  
As At 30 June 2023**

	<b>30 Jun 2023</b> (RM'000)	<b>31 Dec 2022</b> (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	344,945	334,510
Right-of-use assets	35	42
Investment properties	53,894	53,894
Investment in associates	652	652
	<u>399,526</u>	<u>389,098</u>
<b>Current assets</b>		
Inventories	34,895	24,852
Biological assets	40,151	47,479
Trade receivables	19,467	21,179
Other receivables, deposits and prepayments	10,699	10,986
Investment securities	200	1,086
Current tax assets	3,743	4,563
Derivative financial assets	277	-
Short term placement with a financial institution	4,509	8,022
Cash and bank balances	11,209	19,053
	<u>125,150</u>	<u>137,220</u>
<b>TOTAL ASSETS</b>	<u><u>524,676</u></u>	<u><u>526,318</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	115,383	104,341
Treasury shares	(1,959)	(1,622)
ESS reserve	27	4,069
Retained profits	220,298	217,602
	<u>333,749</u>	<u>324,390</u>
Non-controlling interests	(817)	(769)
<b>Total equity</b>	<u><u>332,932</u></u>	<u><u>323,621</u></u>
<b>Non-current liabilities</b>		
Borrowings	46,019	49,976
Lease liabilities	24	31
Deferred tax liabilities	16,335	16,324
	<u>62,378</u>	<u>66,331</u>
<b>Current liabilities</b>		
Trade payables	24,985	40,268
Other payables and accruals	18,161	19,789
Lease liabilities	14	14
Borrowings	81,775	71,149
Dividend payable	4,431	5,030
Derivative financial liabilities	-	101
Current tax liabilities	-	15
	<u>129,366</u>	<u>136,366</u>
<b>Total liabilities</b>	<u><u>191,744</u></u>	<u><u>202,697</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>524,676</u></u>	<u><u>526,318</u></u>
Net assets per share attributable to shareholders of the company (RM)	1.51	1.60

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



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Comprehensive Income  
For The Financial Period Ended 30 June 2023**

	<u>2023</u> Current qtr ended 30-Jun (RM'000)	<u>2022</u> Current qtr ended 30-Jun (RM'000)	<u>2023</u> 6 months cumulative To-date (RM'000)	<u>2022</u> 6 months cumulative To-date (RM'000)
<b>Revenue</b>	142,230	110,152	283,374	222,383
Operating expenses	(132,874)	(111,220)	(264,734)	(221,286)
Other income	<u>297</u>	<u>7,101</u>	<u>1,151</u>	<u>7,486</u>
<b>Profit from operations</b>	9,653	6,033	19,791	8,583
Finance income	32	23	98	55
Finance costs	<u>(1,215)</u>	<u>(1,221)</u>	<u>(2,434)</u>	<u>(2,370)</u>
<b>Profit before taxation</b>	8,470	4,835	17,455	6,268
Taxation	<u>(1,649)</u>	<u>(1,841)</u>	<u>(3,834)</u>	<u>(1,702)</u>
<b>Profit for the period representing total comprehensive income for the period</b>	<u>6,821</u>	<u>2,994</u>	<u>13,621</u>	<u>4,566</u>
<b>Attributable to:</b>				
Owners of the Company	6,815	3,016	13,669	4,620
Non-controlling interests	<u>6</u>	<u>(22)</u>	<u>(48)</u>	<u>(54)</u>
<b>Profit for the period</b>	<u>6,821</u>	<u>2,994</u>	<u>13,621</u>	<u>4,566</u>
<b>Attributable to:</b>				
Owners of the Company	6,815	3,016	13,669	4,620
Non-controlling interests	<u>6</u>	<u>(22)</u>	<u>(48)</u>	<u>(54)</u>
<b>Comprehensive income for the period</b>	<u>6,821</u>	<u>2,994</u>	<u>13,621</u>	<u>4,566</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
- Basic (sen)	<u>3.20</u>	<u>1.53</u>	<u>6.46</u>	<u>2.36</u>
- Diluted (sen)	<u>3.20</u>	<u>1.50</u>	<u>6.40</u>	<u>2.33</u>

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



## PWF CORPORATION BHD

### Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 June 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
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	13,669	13,669	(48)	13,621
<b>Transactions with owners:</b>							
Shares issued, pursuant to:							
-Exercise of ESS options	6,613	-	(1,492)	-	5,121	-	5,121
-Issuance of ESS shares	4,429	-	(2,546)	-	1,883	-	1,883
Share-based payment transaction:							
-Lapsed due to resignation	-	-	(4)	4	-	-	-
Purchase of treasury shares	-	(337)	-	-	(337)	-	(337)
Dividends	-	-	-	(10,977)	(10,977)	-	(10,977)
Balance at end	<u>115,383</u>	<u>(1,959)</u>	<u>27</u>	<u>220,298</u>	<u>333,749</u>	<u>(817)</u>	<u>332,932</u>

### 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	<u>102,528</u>	<u>(1,622)</u>	<u>1,568</u>	<u>221,793</u>	<u>324,267</u>	<u>(5,343)</u>	<u>318,924</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 2022.



**PWF CORPORATION BHD.**

**Condensed Consolidated Statement of Cash Flows  
For The Financial Period Ended 30 June 2023**

	<b>6 months ended 30 Jun 2023 (RM'000)</b>	<b>6 months ended 30 Jun 2022 (RM'000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,455	6,268
Adjustments for :		
Non-cash items	19,038	20,042
Non-operating items	<u>2,158</u>	<u>2,112</u>
Operating profit before changes in working capital	38,651	28,422
Net changes in current assets	(7,941)	(17,197)
Net changes in current liabilities	<u>(16,911)</u>	<u>3,750</u>
Cash from operations	13,799	14,975
Income tax refunded	13	-
Income tax paid	(3,033)	(910)
Finance cost paid	(2,434)	(2,370)
Finance income received	<u>98</u>	<u>55</u>
Net cash from operating activities	8,443	11,750
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(20,800)	(16,570)
Acquisition of investment securities		(121)
Dividend received	21	2
Proceeds from disposal of investment securities	936	210
Proceeds from disposal of property, plant and equipment	<u>175</u>	<u>208</u>
Net cash used in investing activities	(19,668)	(16,271)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(11,576)	(2,024)
Proceeds from issuance of shares	5,121	-
Repurchase of treasury shares	(337)	-
Bank borrowings	<u>6,661</u>	<u>5,514</u>
Net cash (used in)/from financing activities	<u>(131)</u>	<u>3,490</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(11,356)	(1,031)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<u>27,074</u>	<u>23,599</u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u>15,718</u></u>	<u><u>22,568</u></u>
<b>Represented by:</b>		
Cash and cash equivalents	15,718	22,568
Bank overdrafts	<u>-</u>	<u>-</u>
	<u><u>15,718</u></u>	<u><u>22,568</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-II)  
(Incorporated in Malaysia)

**Interim Report For The Financial Period Ended 30 June 2023**

**A. DISCLOSURE REQUIREMENTS AS PER MFRS 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 30 June 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 12,612,600 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;
- iv. allotment of 2,500,000 ordinary shares at RM0.525 pursuant to grant of ESS shares; and
- v. allotment of 2,624,000 ordinary shares at RM0.718 pursuant to grant of ESS shares.

## **7. Dividend Paid**

The Company has paid the following dividends:

In respect of the financial year ended 31 December 2022, the Company has paid a second interim single tier dividend of 2.5 sen per ordinary share amounting to RM5,030,337 on 13 January 2023.

In respect of the financial year ending 31 December 2023, the Company has paid:

- i. a first interim single tier dividend of 3.0 sen per ordinary share amounting to RM6,545,884 on 15 May 2023;
- ii. a second interim single tier dividend of 2.0 sen per ordinary share amounting to RM4,431,087 on 4 July 2023; and
- iii. a third interim dividend via distribution of 2,208,471 share dividend on the basis of 1 treasury share for every 100 existing ordinary shares held, the said share dividend has been credited into the entitled shareholders' accounts on 4 August 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 30 June 2023 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 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	32,664	14,687

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

### 1. Review of Performance

Group revenue for the quarter and year ended 30 June 2023 rose 29.12% and 27.43% from RM110.15 million and RM222.38 million recorded in corresponding period of preceding year to RM142.23 million and RM283.37 million respectively due to higher sales quantity and average selling price of broiler and eggs.

Pre-tax profit for the quarter and year ended 30 June 2023 increased by RM3.63 million and RM11.19 million from RM4.84 million and RM6.27 million recorded in corresponding period of preceding year to RM8.47 million and RM17.46 million respectively due to the same reason abovementioned.

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

Group revenue for quarter to 30 June 2023 increased marginally by 0.77% to RM142.23 million compared to RM141.14 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 decreased by RM0.52 million to RM8.47 million compared to RM8.99 million recorded in the immediate preceding quarter due to higher operating cost during the quarter.

### 3. Commentary on Prospects

Despite the volatility in the Ringgit exchange rate and cost of raw material, the Company is optimistic that it will continue to perform satisfactorily in the remaining quarters of FY23 in view of the resilient demand for poultry products.



#### 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 30-6-2023 RM'000</b>	<b>Current Year To Date 30-6-2023 RM'000</b>
Interest income	32	98
Other income (including investment income)	297	1,100
Interest expense	(1,215)	(2,434)
Depreciation and amortization	(5,367)	(10,346)
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
Loss on foreign exchange	-	-
Fair value loss on derivative instruments	-	-

#### 6. Taxation

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>Current Year Quarter 30-6-2023 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-6-2022 RM'000</b>	<b>Current Year To Date 30-6-2023 RM'000</b>	<b>Preceding Year Corresponding Period 30-6-2022 RM'000</b>
Current tax	(2,473)	(1,819)	(3,824)	(3,594)
Deferred tax	824	(22)	(10)	1,892
Total	(1,649)	(1,841)	(3,834)	(1,702)

The Group's effective tax rate for the current quarter ended 30 June 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

The Company has on 16 August 2023 proposed a bonus issue of up to 74,458,606 shares on the basis of 1 bonus share for every 3 existing shares held. This proposal has been approved by Bursa Malaysia Securities Berhad on 28<sup>th</sup> August 2023 and is now subject to the approval of shareholders at an Extraordinary General Meeting to be held on a later date.

## 8. Borrowings

Group borrowings as at 30 June 2023 are as follows: -

	<b>30-6-2023</b>	<b>31-12-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Current liabilities</i>		
Secured	8,828	10,715
Unsecured	72,947	60,434
	<u>81,775</u>	<u>71,149</u>
<i>Non-current liabilities</i>		
Secured	43,116	49,481
Unsecured	2,903	495
	<u>46,019</u>	<u>49,976</u>
	<u>127,794</u>	<u>121,125</u>

All borrowings are in Ringgit Malaysia.

## 9. Material Litigation

There was no material litigation during the financial period.

## 10. Proposed Dividends

Save as disclosed in Note A7 above, the Company did not propose any dividend payment for the financial period ended 30 June 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.

	<b>Current Year Quarter 30-6-2023</b>	<b>Preceding Year Quarter 30-6-2022</b>	<b>Current Year To Date 30-6-2023</b>	<b>Preceding Year To Date 30-6-2022</b>
<b>Basic earnings per share</b>				
Profit for the period (RM'000)	6,815	3,016	13,669	4,620
Weighted average number of ordinary shares in issue (in thousands)	212,720	197,387	211,661	196,167
Basic earnings per share (Sen)	3.20	1.53	6.46	2.36
<b>Diluted earnings per share</b>				
Profit for the period (RM'000)	6,815	3,016	13,669	4,620
Weighted average number of ordinary shares in issue (basic) (in thousands)	212,720	197,387	211,661	196,167
Effect of share options (in thousands)	411	3,268	1,900	2,186
Weighted average number of ordinary shares in issue (in thousands)	213,131	200,655	213,561	198,353
Diluted earnings per share (Sen)	3.20	1.50	6.40	2.33

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 30<sup>th</sup> day of August 2023