



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

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



PWF CORPORATION BHD.

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

	30 Sep 2023 (RM'000)	31 Dec 2022 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	349,951	334,510
Right-of-use assets	-	42
Investment properties	53,894	53,894
Investment in associates	652	652
	<u>404,497</u>	<u>389,098</u>
Current assets		
Inventories	23,544	24,852
Biological assets	40,896	47,479
Trade receivables	23,211	21,179
Other receivables, deposits and prepayments	15,404	10,986
Investment securities	200	1,086
Current tax assets	3,175	4,563
Derivative financial assets	49	-
Short term placement with a financial institution	5,504	8,022
Cash and bank balances	5,874	19,053
	<u>117,857</u>	<u>137,220</u>
TOTAL ASSETS	<u>522,354</u>	<u>526,318</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	115,383	104,341
Treasury shares	(3)	(1,622)
ESS reserve	27	4,069
Retained profits	229,456	217,602
	<u>344,863</u>	<u>324,390</u>
Non-controlling interests	(845)	(769)
Total equity	<u>344,018</u>	<u>323,621</u>
Non-current liabilities		
Borrowings	44,213	49,976
Lease liabilities	-	31
Deferred tax liabilities	19,036	16,324
	<u>63,249</u>	<u>66,331</u>
Current liabilities		
Trade payables	32,908	40,268
Other payables and accruals	18,763	19,789
Lease liabilities	-	14
Borrowings	63,403	71,149
Dividend payable	-	5,030
Derivative financial liabilities	-	101
Current tax liabilities	13	15
	<u>115,087</u>	<u>136,366</u>
Total liabilities	<u>178,336</u>	<u>202,697</u>
TOTAL EQUITY AND LIABILITIES	<u>522,354</u>	<u>526,318</u>
Net assets per share attributable to shareholders of the company (RM)	1.55	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 September 2023**

	<u>2023</u> Current qtr ended 30-Sep (RM'000)	<u>2022</u> Current qtr ended 30-Sep (RM'000)	<u>2023</u> 9 months cumulative To-date (RM'000)	<u>2022</u> 9 months cumulative To-date (RM'000)
Revenue	137,010	124,443	420,384	346,826
Operating expenses	(135,619)	(147,682)	(400,353)	(368,968)
Other income	<u>15,113</u>	<u>27,598</u>	<u>16,264</u>	<u>35,084</u>
Profit from operations	16,504	4,359	36,295	12,942
Finance income	34	48	132	103
Finance costs	(1,224)	(1,249)	(3,658)	(3,619)
Share of results of an associate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before taxation	15,314	3,158	32,769	9,426
Taxation	<u>(4,121)</u>	<u>(367)</u>	<u>(7,955)</u>	<u>(2,069)</u>
Profit for the period	11,193	2,791	24,814	7,357
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period representing total comprehensive income for the period	<u>11,193</u>	<u>2,791</u>	<u>24,814</u>	<u>7,357</u>
Attributable to:				
Owners of the Company	11,221	2,691	24,890	7,311
Non-controlling interests	<u>(28)</u>	<u>100</u>	<u>(76)</u>	<u>46</u>
Profit for the period	<u>11,193</u>	<u>2,791</u>	<u>24,814</u>	<u>7,357</u>
Attributable to:				
Owners of the Company	11,221	2,691	24,890	7,311
Non-controlling interests	<u>(28)</u>	<u>100</u>	<u>(76)</u>	<u>46</u>
Comprehensive income for the period	<u>11,193</u>	<u>2,791</u>	<u>24,814</u>	<u>7,357</u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	<u>5.54</u>	<u>1.36</u>	<u>11.56</u>	<u>3.72</u>
- Diluted (sen)	<u>5.54</u>	<u>1.34</u>	<u>11.56</u>	<u>3.68</u>



PWF CORPORATION BHD

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 September 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	-	-	-	24,890	24,890	(76)	24,814
Transactions with owners:							
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	-	(444)	-	-	(444)	-	(444)
Share dividend	-	2,063	-	(2,063)	-	-	-
Cash dividends	-	-	-	(10,977)	(10,977)	-	(10,977)
Balance at end	115,383	(3)	27	229,456	344,863	(845)	344,018

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	-	-	-
Cash dividend	-	-	-	(4,935)	(4,935)	-	(4,935)
Balance at end	102,534	(1,622)	1,534	219,582	322,028	(5,243)	316,785

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 Septmeber 2023**

	9 months ended 30 Sept 2023 (RM'000)	9 months ended 30 Sept 2022 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,769	9,426
Adjustments for :		
Non-cash items	24,964	57,285
Non-operating items	<u>3,330</u>	<u>3,143</u>
Operating profit before changes in working capital	61,063	69,854
Net changes in current assets	(5,924)	(8,799)
Net changes in current liabilities	<u>(8,385)</u>	<u>(10,184)</u>
Cash from operations	46,754	50,871
Income tax refunded	386	-
Income tax paid	(4,244)	(1,607)
Finance cost paid	(3,658)	(3,619)
Finance income received	<u>132</u>	<u>103</u>
Net cash from operating activities	39,370	45,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(31,368)	(30,980)
Acquisition of investment securities		(121)
Dividend received	21	8
Proceeds from disposal of investment securities	936	210
Proceeds from disposal of property, plant and equipment	<u>193</u>	<u>161</u>
Net cash used in investing activities	(30,218)	(30,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(16,007)	(6,959)
Proceeds from issuance of shares	5,121	5
Repurchase of treasury shares	(444)	-
Bank borrowings	<u>(14,381)</u>	<u>(15,415)</u>
Net cash used in financing activities	<u>(25,711)</u>	<u>(22,369)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,559)	(7,343)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>27,075</u>	<u>23,599</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>10,516</u></u>	<u><u>16,256</u></u>
Represented by:		
Cash and cash equivalents	11,378	16,256
Bank overdrafts	<u>(862)</u>	<u>-</u>
	<u><u>10,516</u></u>	<u><u>16,256</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 30 September 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 September 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 options;
- 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;
- v. allotment of 2,624,000 ordinary shares at RM0.718 pursuant to grant of ESS shares;
- vi. allotment of 88,000 ordinary shares at RM0.3045 pursuant to exercise of ESS options;
- vii. repurchase of 627,800 ordinary shares at RM0.7071;
- viii. distribution of 2,208,471 treasury shares as share dividend on the basis of 1 treasury share for every 100 existing ordinary shares held; and
- ix. allotment of 74,378,909 ordinary shares pursuant to bonus issue of shares on the basis of 1 bonus share for every 3 existing ordinary shares held.

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 treasury shares 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 September 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 September 2023 other than incorporation of a 70% owned subsidiary, SCJ AgroSolution Sdn Bhd (“SCJ”) on 1 August 2023. The principal activity of SCJ is production, distributing and trading of agricultural fertilizer. SCJ is still dormant as at the date of this report.

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	25,623	12,604

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter and year ended 30 September 2023 rose 10.10% and 21.21% from RM124.44 million and RM346.83 million recorded in corresponding period of preceding year to RM137.01 million and RM420.38 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 September 2023 increased by RM12.15 million and RM23.34 million from RM3.16 million and RM9.43 million recorded in corresponding period of preceding year to RM15.31 million and RM32.77 million respectively due to higher sales quantity and average selling price of broiler and eggs.

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

Group revenue for quarter to 30 September 2023 decreased by 3.67% to RM137.01 million compared to RM142.23 million recorded in the immediate preceding quarter. The lower revenue was mainly due to lower average selling price of broiler during the quarter under review.

Pre-tax profit increased by RM6.84 million to RM15.31 million compared to RM8.47 million recorded in the immediate preceding quarter due to subsidies from government.

3. Commentary on Prospects

Although the volatility in cost of raw material and Ringgit exchange rate remain the concerns on feed cost, the Company is optimistic that it will perform satisfactorily in the remaining quarter of the year in view of the resilient demand for poultry products. Recently, the government has uplifted the ceiling price and subsidy for chicken while maintaining the said for egg with effect from November 2023. In the upcoming financial year, the Company will continue to enhance and strengthen its performance.

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 30-9-2023 RM'000	Current Year To Date 30-9-2023 RM'000
Interest income	34	132
Other income (including investment income)	15,113	16,213
Interest expense	(1,224)	(3,658)
Depreciation and amortization	(5,513)	(15,859)
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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30-9-2023 RM'000	Preceding Year Corresponding Quarter 30-9-2022 RM'000	Current Year To Date 30-9-2023 RM'000	Preceding Year Corresponding Period 30-9-2022 RM'000
Current tax	(1,420)	(853)	(5,244)	(4,447)
Deferred tax	(2,701)	486	(2,711)	2,378
Total	(4,121)	(367)	(7,955)	(2,069)

The Group's effective tax rate for the current quarter ended 30 September 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 7 November 2023 proposed the establishment of an Employees' Share Scheme of up to 15% of the total issued share capital of the Company (excluding treasury shares) for eligible directors and employees of the Company and its subsidiaries. This proposal has been approved by Bursa Malaysia Securities Berhad on 20 November 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 September 2023 are as follows: -

	30-9-2023 RM'000	31-12-2022 RM'000
<i>Current liabilities</i>		
Secured	8,658	10,715
Unsecured	54,745	60,434
	63,403	71,149
<i>Non-current liabilities</i>		
Secured	41,506	49,481
Unsecured	2,707	495
	44,213	49,976
	107,616	121,125

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 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 30-9-2023	Preceding Year Quarter 30-9-2022	Current Year To Date 30-9-2023	Preceding Year To Date 30-9-2022
Basic earnings per share				
Profit for the period (RM'000)	11,221	2,691	24,890	7,311
Weighted average number of ordinary shares in issue (in thousands)	202,459	197,390	215,254	196,579
Basic earnings per share (Sen)	5.54	1.36	11.56	3.72
Diluted earnings per share				
Profit for the period (RM'000)	11,221	2,691	24,890	7,311
Weighted average number of ordinary shares in issue (basic) (in thousands)	202,459	197,390	215,254	196,579
Effect of share options (in thousands)	99	3,188	114	2,133
Weighted average number of ordinary shares in issue (in thousands)	202,558	200,578	215,368	198,712
Diluted earnings per share (Sen)	5.54	1.34	11.56	3.68

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 29th day of November 2023