



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

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



PWF CORPORATION BHD.

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

	31 Dec 2023 (RM'000)	31 Dec 2022 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	356,496	334,510
Right-of-use assets	-	42
Investment properties	53,894	53,894
Investment in associates	652	652
	<u>411,042</u>	<u>389,098</u>
Current assets		
Inventories	23,647	24,852
Biological assets	47,734	47,479
Trade receivables	25,767	21,179
Other receivables, deposits and prepayments	11,199	10,986
Investment securities	189	1,086
Current tax assets	148	4,563
Non-current assets held for sale	5,202	-
Short term placement with a financial institution	10,029	8,022
Cash and bank balances	27,863	19,053
	<u>151,778</u>	<u>137,220</u>
TOTAL ASSETS	<u><u>562,820</u></u>	<u><u>526,318</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	115,414	104,341
Treasury shares	(3)	(1,622)
ESS reserve	-	4,069
Retained profits	255,121	217,602
	<u>370,532</u>	<u>324,390</u>
Non-controlling interests	(857)	(769)
Total equity	<u><u>369,675</u></u>	<u><u>323,621</u></u>
Non-current liabilities		
Borrowings	45,751	49,976
Lease liabilities	-	31
Deferred tax liabilities	25,211	16,324
	<u>70,962</u>	<u>66,331</u>
Current liabilities		
Trade payables	41,713	40,268
Other payables and accruals	20,919	19,789
Lease liabilities	-	14
Borrowings	44,431	71,149
Dividend payable	-	5,030
Derivative financial liabilities	311	101
Current tax liabilities	14,809	15
	<u>122,183</u>	<u>136,366</u>
Total liabilities	<u><u>193,145</u></u>	<u><u>202,697</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>562,820</u></u>	<u><u>526,318</u></u>
Net assets per share attributable to owners of the Company (RM)	1.25	1.61



PWF CORPORATION BHD.

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

	<u>2023</u> Current qtr ended 31-Dec (RM'000)	<u>2022</u> Current qtr ended 31-Dec (RM'000)	<u>2023</u> 12 months cumulative To-date (RM'000)	<u>2022</u> 12 months cumulative To-date (RM'000)
Revenue	139,084	139,401	559,468	486,227
Operating expenses	(137,815)	(143,570)	(538,168)	(512,538)
Other income	<u>51,207</u>	<u>11,713</u>	<u>67,471</u>	<u>46,797</u>
Profit from operations	52,476	7,544	88,771	20,486
Finance income	88	65	220	168
Finance costs	(1,032)	(1,244)	(4,690)	(4,863)
Share of results of an associate	<u>-</u>	<u>(80)</u>	<u>-</u>	<u>(80)</u>
Profit before tax	51,532	6,285	84,301	15,711
Taxation	<u>(25,899)</u>	<u>1,240</u>	<u>(33,854)</u>	<u>(829)</u>
Profit for the financial year, representing total comprehensive income for the financial year	<u>25,633</u>	<u>7,525</u>	<u>50,447</u>	<u>14,882</u>
Profit for the financial year, representing total comprehensive income attributable to:				
Owners of the Company	25,645	7,539	50,535	14,850
Non-controlling interests	<u>(12)</u>	<u>(14)</u>	<u>(88)</u>	<u>32</u>
	<u>25,633</u>	<u>7,525</u>	<u>50,447</u>	<u>14,882</u>
Earnings per share attributable to owners of the Company (Sen)				
- Basic	<u>8.88</u>	<u>3.81</u>	<u>21.62</u>	<u>7.48</u>
- Diluted	<u>8.88</u>	<u>3.74</u>	<u>21.62</u>	<u>7.41</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 Year Ended 31 December 2023

	← Attributable to Owners of the Company →						
	Share Capital (RM'000)	Treasury Shares (RM'000)	ESS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interests (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 financial year	-	-	-	50,535	50,535	(88)	50,447
Transactions with owners:							
Shares issued, pursuant to:							
-Exercise of ESS options	6,644	-	(1,499)	-	5,145	-	5,145
-Issuance of ESS shares	4,429	-	(2,546)	-	1,883	-	1,883
Share-based payment transaction:							
-Lapsed due to resignation/termination	-	-	(24)	24	-	-	-
Purchase of treasury shares	-	(444)	-	-	(444)	-	(444)
Share dividend	-	2,063	-	(2,063)	-	-	-
Cash dividends	-	-	-	(10,977)	(10,977)	-	(10,977)
Balance at end	<u>115,414</u>	<u>(3)</u>	<u>-</u>	<u>255,121</u>	<u>370,532</u>	<u>(857)</u>	<u>369,675</u>

Condensed Consolidated Statement of Changes in Equity For The Financial Year Ended 31 December 2022

	← Attributable to Owners of the Company →						
	Share Capital (RM'000)	Treasury Shares (RM'000)	ESS Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interests (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 financial year	-	-	-	14,850	14,850	32	14,882
Transactions with owners:							
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:							
-Recognition of equity-settled share-based payment	-	-	4,299	-	4,299	-	4,299
-Lapsed due to resignation	-	-	(33)	33	-	-	-
Cash dividend	-	-	-	(9,966)	(9,966)	-	(9,966)
Effect of change in shareholding	-	-	-	(4,488)	(4,488)	4,488	-
Balance at end	<u>104,341</u>	<u>(1,622)</u>	<u>4,069</u>	<u>217,602</u>	<u>324,390</u>	<u>(769)</u>	<u>323,621</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 Year Ended 31 December 2023**

	12 months ended 31 Dec 2023 (RM'000)	12 months ended 31 Dec 2022 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	84,301	15,711
Adjustments for :		
Non-cash items	28,703	69,705
Non-operating items	4,553	6,828
Operating profit before changes in working capital	117,557	92,244
Net changes in current assets	(7,644)	(15,011)
Net changes in current liabilities	2,575	12,866
Cash from operations	112,488	90,099
Income tax refunded	386	-
Income tax paid	(5,465)	(4,870)
Real property gains tax paid/(refunded)	(669)	30
Finance cost paid	(4,690)	(4,860)
Finance income received	220	168
Net cash from operating activities	102,270	80,567
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(50,296)	(42,782)
Acquisition of investment securities		(121)
Dividend received	4	10
Proceeds from disposal of investment securities	936	228
Proceeds from disposal of property, plant and equipment	164	875
Net cash used in investing activities	(49,192)	(41,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(16,007)	(6,959)
Proceeds from issuance of shares	5,145	48
Repurchase of treasury shares	(444)	-
Bank borrowings	(30,954)	(28,391)
Net cash used in financing activities	(42,260)	(35,302)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,818	3,475
CASH AND CASH EQUIVALENTS AT BEGINNING	27,074	23,599
CASH AND CASH EQUIVALENTS AT END	37,892	27,074
Represented by:		
Cash and cash equivalents	37,892	27,074
Bank overdrafts	-	-
	37,892	27,074

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 Year Ended 31 December 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 year ended 31 December 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;
- 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; and
- x. allotment of 8,463,000 ordinary shares at RM0.68 pursuant to grant to 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 ended 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 31 December 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 year ended 31 December 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 year were as follows:-

	Approved but not contracted for	Approved and contracted for
	RM'000	RM'000
Property, plant and equipment	29,178	14,335

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the current quarter decreased marginally by 0.23% from RM139.40 million recorded in corresponding period of preceding year to RM139.09 million due to lower average selling price but offset by higher sales volume of both broiler and eggs.

Group revenue for the year ended 31 December 2023 increased by 15.06% from RM486.23 million recorded in corresponding period of preceding year to RM559.47 million as the Group recorded higher sales quantity and average selling price of broiler and eggs.

Pre-tax profit for the quarter and year ended 31 December 2023 increased by RM45.25 million and RM68.59 million from RM6.29 million and RM15.71 million recorded in corresponding period of preceding year to RM51.53 million and RM84.30 million respectively due to higher broiler and eggs subsidies received in the last quarter of 2023.

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

Group revenue for quarter to 31 December 2023 increased marginally by 1.51% to RM139.08 million compared to RM137.01 million recorded in the immediate preceding quarter. The higher revenue was mainly due to higher sales quantity and average selling price of broiler during the quarter under review.

Pre-tax profit increased by RM36.22 million to RM51.53 million compared to RM15.31 million recorded in the immediate preceding quarter due to higher broiler and eggs subsidies received from the government.

3. Commentary on Prospects

The Company is optimistic that it will perform satisfactorily in FY2024 with expectation of stabilisation in the cost of raw material, while being cautious about the volatility in the foreign exchange rate. The Group will continue to focus on improving production efficiency in the upcoming year.

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 31-12-2023 RM'000	Current Year To Date 31-12-2023 RM'000
Interest income	88	220
Other income (including investment income)	51,810	68,023
Interest expense	(1,032)	(4,690)
Depreciation and amortization	(7,176)	(23,035)
Provision for and write off of receivables	(340)	(340)
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	-	51
Loss on foreign exchange	99	99
Fair value loss on derivative instruments	-	-

6. Taxation

	Current Year Quarter 31-12-2023 RM'000	Preceding Year Quarter 31-12-2022 RM'000	Current Year To Date 31-12-2023 RM'000	Preceding Year To Date 31-12-2022 RM'000
Current tax	(19,043)	821	(24,287)	(3,626)
Deferred tax	(6,187)	389	(8,898)	2,767
RPGT	(669)	30	(669)	30
Total	(25,899)	1,240	(33,854)	(829)

The Group's effective tax rate for the current quarter ended 31 December 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 ("ESS") 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 subsequently approved by the shareholders at the Extraordinary General Meeting held on 21 December 2023. The Company has implemented the ESS with effect from 3 January 2024 and will be in force for a period of 5 years expiring on 2 January 2029.

8. Borrowings

Group borrowings as at 31 December 2023 are as follows: -

	31-12-2023 RM'000	31-12-2022 RM'000
<i>Current liabilities</i>		
Secured	7,875	10,715
Unsecured	36,556	60,434
	<u>44,431</u>	<u>71,149</u>
<i>Non-current liabilities</i>		
Secured	39,857	49,481
Unsecured	5,894	495
	<u>45,751</u>	<u>49,976</u>
	<u>90,182</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

The Company has on 14 February 2024 proposed payment of a first interim single tier dividend of 1.00 sen per ordinary share for the financial year ending 31 December 2024, which is to be paid on 13 March 2024.

11. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period excluding treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue excluding treasury shares after adjusting for the effects of all dilutive potential ordinary shares.

	Current Year Quarter 31-12-2023	Preceding Year Quarter 31-12-2022	Current Year To Date 31-12-2023	Preceding Year To Date 31-12-2022
Basic earnings per share				
Profit for the period (RM'000)	25,645	7,539	50,535	14,850
Weighted average number of ordinary shares in issue (in thousands)	288,674	198,057	233,760	198,536
Basic earnings per share (Sen)	8.88	3.81	21.62	7.48
Diluted earnings per share				
Profit for the period (RM'000)	25,645	7,539	50,535	14,850
Weighted average number of ordinary shares in issue (basic) (in thousands)	288,674	198,057	233,760	198,536
Effect of share options (in thousands)	-	3,550	-	1,995
Weighted average number of ordinary shares in issue (in thousands)	288,674	201,607	233,760	200,531
Diluted earnings per share (Sen)	8.88	3.74	21.62	7.41

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 29th day of February 2024