



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

**Condensed Consolidated Financial Statements
for the Quarter Ended 31 March 2024**



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Financial Position
As At 31 March 2024**

	31 Mar 2024 (RM'000)	31 Dec 2023 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	360,959	356,549
Investment properties	53,894	53,894
Investment in associates	594	594
	<u>415,447</u>	<u>411,037</u>
Current assets		
Inventories	17,366	17,735
Biological assets	59,398	53,646
Trade receivables	22,628	25,767
Other receivables, deposits and prepayments	10,833	12,830
Investment securities	189	1,189
Current tax assets	57	148
Non-current assets held for sale	1,602	5,202
Short term placement with a financial institution	2,069	9,029
Cash and bank balances	11,280	27,863
	<u>125,422</u>	<u>153,409</u>
TOTAL ASSETS	<u><u>540,869</u></u>	<u><u>564,446</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	131,907	115,414
Treasury shares	(3)	(3)
ESS reserve	2,520	-
Retained profits	254,203	255,053
	<u>388,627</u>	<u>370,464</u>
Non-controlling interests	(804)	(864)
Total equity	<u><u>387,823</u></u>	<u><u>369,600</u></u>
Non-current liabilities		
Borrowings	44,750	45,809
Deferred tax liabilities	25,466	25,211
	<u>70,216</u>	<u>71,020</u>
Current liabilities		
Trade payables	34,722	43,414
Other payables and accruals	11,906	20,919
Borrowings	20,937	44,372
Derivative financial liabilities	-	311
Current tax liabilities	15,265	14,810
	<u>82,830</u>	<u>123,826</u>
Total liabilities	<u><u>153,046</u></u>	<u><u>194,846</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>540,869</u></u>	<u><u>564,446</u></u>
Net assets per share attributable to owners of the Company (RM)	1.22	1.24

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 31 March 2024**

	<u>2024</u> Current qtr ended 31-Mar (RM'000)	<u>2023</u> Current qtr ended 31-Mar (RM'000)	<u>2024</u> 3 months cumulative To-date (RM'000)	<u>2023</u> 3 months cumulative To-date (RM'000)
Revenue	129,053	141,144	129,053	141,144
Operating expenses	(128,244)	(131,860)	(128,244)	(131,860)
Other income	<u>4,098</u>	<u>854</u>	<u>4,098</u>	<u>854</u>
Profit from operations	4,907	10,138	4,907	10,138
Finance income	88	66	88	66
Finance costs	(842)	(1,219)	(842)	(1,219)
Share of results of an associate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax	4,153	8,985	4,153	8,985
Taxation	<u>(1,882)</u>	<u>(2,185)</u>	<u>(1,882)</u>	<u>(2,185)</u>
Profit/(Loss) for the financial year, representing total comprehensive income for the financial year	<u><u>2,271</u></u>	<u><u>6,800</u></u>	<u><u>2,271</u></u>	<u><u>6,800</u></u>
Profit/(Loss) for the financial year, representing total comprehensive income attributable to:				
Owners of the Company	2,211	6,854	2,211	6,854
Non-controlling interests	<u>60</u>	<u>(54)</u>	<u>60</u>	<u>(54)</u>
	<u><u>2,271</u></u>	<u><u>6,800</u></u>	<u><u>2,271</u></u>	<u><u>6,800</u></u>
Earnings per share attributable to owners of the Company (Sen)				
- Basic	<u>0.72</u>	<u>2.50</u>	<u>0.72</u>	<u>2.50</u>
- Diluted	<u><u>0.72</u></u>	<u><u>2.47</u></u>	<u><u>0.72</u></u>	<u><u>2.47</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 2023.



PWF CORPORATION BHD

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 31 March 2024

	← Attributable to Owners of the Company →				Total (RM'000)	Non-controlling Interests (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	ESS Reserve (RM'000)	Retained Profits (RM'000)			
Balance at beginning	115,414	(3)	-	255,053	370,464	(864)	369,600
Total comprehensive income for the financial period	-	-	-	2,211	2,211	60	2,271
Transactions with owners:							
Shares issued, pursuant to:							
-Vesting of ESS shares	16,493	-	-	-	16,493	-	16,493
Share-based payment transaction:							
-Recognition of equity-settled share-based payment	-	-	2,520	-	2,520	-	2,520
Cash dividend	-	-	-	(3,061)	(3,061)	-	(3,061)
Balance at end	<u>131,907</u>	<u>(3)</u>	<u>2,520</u>	<u>254,203</u>	<u>388,627</u>	<u>(804)</u>	<u>387,823</u>

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

	← Attributable to Owners of the Company →				Total (RM'000)	Non-controlling Interests (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	ESS Reserve (RM'000)	Retained Profits (RM'000)			
Balance at beginning	104,341	(1,622)	4,069	217,602	324,390	(769)	323,621
Total comprehensive income for the financial period	-	-	-	6,854	6,854	(54)	6,800
Transactions with owners:							
Shares issued, pursuant to:							
-Exercise of ESS options	29	-	(7)	-	22	-	22
-Vesting of ESS shares	2,546	-	(2,546)	-	-	-	-
Share-based payment transaction:							
-Lapsed due to resignation	-	-	(3)	3	-	-	-
Balance at end	<u>106,916</u>	<u>(1,622)</u>	<u>1,513</u>	<u>224,459</u>	<u>331,266</u>	<u>(823)</u>	<u>330,443</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 2023.



PWF CORPORATION BHD.

**Condensed Consolidated Statement of Cash Flows
For The Financial Period Ended 31 March 2024**

	3 months ended 31 Mar 2024 (RM'000)	3 months ended 31 Mar 2023 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,153	8,985
Adjustments for :		
Non-cash items	17,535	10,804
Non-operating items	<u>(3,392)</u>	<u>1,103</u>
Operating profit before changes in working capital	18,296	20,892
Net changes in current assets	6,681	(1,769)
Net changes in current liabilities	<u>(17,706)</u>	<u>(17,659)</u>
Cash from operations	7,271	1,464
Income tax refunded	-	13
Income tax paid	(1,080)	(1,860)
Finance cost paid	(842)	(1,219)
Finance income received	<u>88</u>	<u>66</u>
Net cash from/(used in) operating activities	5,437	(1,536)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9,848)	(10,301)
Proceeds from disposal of investment securities	-	936
Proceeds from disposal of non-current assets held for sale	7,367	-
Proceeds from disposal of property, plant and equipment	55	60
Short term fund with a licensed financial institution	<u>1,001</u>	<u>-</u>
Net cash used in investing activities	(1,425)	(9,305)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(24,494)	4,593
Dividend paid	(3,061)	(5,030)
Proceeds from issuance of shares	<u>-</u>	<u>22</u>
Net cash used in financing activities	<u>(27,555)</u>	<u>(415)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,543)	(11,256)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>36,892</u>	<u>27,074</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>13,349</u></u>	<u><u>15,818</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 2023.

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

Interim Report for the Financial Period Ended 31 March 2024

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 2023. 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 2023.

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 2023 except for adoption of new and revised MFRSs, Amendments to MFRSs and IC Interpretations effective for annual period on or after 1 January 2024. 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 were no material changes in estimates that had any material effect on the quarter and financial period ended 31 March 2024.

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. issuance of 8,463,000 ordinary shares at RM0.68 pursuant to vesting of ESS shares; and
- ii. issuance of 11,800,000 ordinary shares at RM0.91 pursuant to vesting of ESS shares.

7. Dividend Paid

The Company has declared and paid a first interim single tier dividend of 1.0 sen per ordinary share amounting to RM3,060,570 on 13 March 2024.

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 2024 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 31 March 2024.

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	26,998	14,039

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the current quarter decreased by 8.57% from RM141.14 million recorded in corresponding period of preceding year to RM129.05 million due to lower average selling price of broiler and eggs and lower sales volume of eggs.

Pre-tax profit for the quarter ended 31 March 2024 decreased by 53.78% from RM8.99 million recorded in corresponding period of preceding year to RM4.15 million mainly due to ESS expenses arising from vesting of ESS shares partly off-set by higher fair value gain on biological assets and gain on disposal of non-current assets held for sale.

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

Group revenue for quarter to 31 March 2024 decreased marginally by 5.22% to RM129.05 million compared to RM136.16 million recorded in the immediate preceding quarter. The lower revenue was mainly due to lower sales quantity of egg during the quarter under review.

Pre-tax profit decreased by RM47.31 million to RM4.15 million compared with RM51.46 million recorded in the immediate preceding quarter mainly due to substantial broiler and eggs subsidies received from the government in the preceding quarter and current quarter ESS expenses. The decrease is partially reduced by higher fair value gain on biological assets and gain on disposal of non-current assets held for sale in the current quarter.

3. Commentary on Prospects

The Board is optimistic that the Group will deliver a satisfactory result in financial year 2024 at the back of stabilisation in the cost of raw material. Moving forward, the Group will continue to strive towards enhancing operational efficiency and cost management.

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 31-3-2024 RM'000	Current Year To Date 31-3-2024 RM'000
Interest income	88	88
Other income (including investment income)	323	323
Interest expense	(842)	(842)
Depreciation and amortization	(5,439)	(5,439)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	3,775	3,775
Loss on foreign exchange	-	-
Fair value loss on derivative instruments	-	-

6. Taxation

	Current Year Quarter 31-3-2024 RM'000	Preceding Year Quarter 31-3-2023 RM'000	Current Year To Date 31-3-2024 RM'000	Preceding Year To Date 31-3-2023 RM'000
Current tax	(1,627)	(1,351)	(1,627)	(1,351)
Deferred tax	(255)	(834)	(255)	(834)
Total	(1,882)	(2,185)	(1,882)	(2,185)

The Group's effective tax rate for the current quarter ended 31 March 2024 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 2024 are as follows: -

	31-3-2024 RM'000	31-12-2023 RM'000
<i>Current liabilities</i>		
Secured	6,923	7,816
Unsecured	14,014	36,556
	<u>20,937</u>	<u>44,372</u>
 <i>Non-current liabilities</i>		
Secured	39,147	39,915
Unsecured	5,603	5,894
	<u>44,750</u>	<u>45,809</u>
	<u><u>65,687</u></u>	<u><u>90,181</u></u>

All borrowings are in Ringgit Malaysia.

9. Material Litigation

There was no material litigation during the financial period.

10. Proposed Dividends

Other than the 1st interim single tier dividend of 1.0 sen paid on 13 March 2024, the Company did not propose any dividend payment for the current financial period ended 31 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 31-3-2024	Preceding Year Quarter 31-3-2023	Current Year To Date 31-3-2024	Preceding Year To Date 31-32-2023
Basic earnings per share				
Profit for the period (RM'000)	2,211	6,854	2,211	6,854
Weighted average number of ordinary shares in issue (in thousands)	308,907	274,546	308,097	274,546
Basic earnings per share (Sen)	0.72	2.50	0.72	2.50
Diluted earnings per share				
Profit for the period (RM'000)	2,211	6,854	2,211	6,854
Weighted average number of ordinary shares in issue (basic) (in thousands)	308,907	274,546	308,907	274,546
Effect of share options (in thousands)	-	3,156	-	3,156
Weighted average number of ordinary shares in issue (in thousands)	308,907	277,702	308,907	277,702
Diluted earnings per share (Sen)	0.72	2.47	0.72	2.47

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of May 2024