



WELLCALL HOLDINGS BERHAD (707346 - W)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Second Quarter Ended 31 March 2013

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31 March 2013 RM'000	Preceding year corresponding quarter 31 March 2012 RM'000	6 months Cumulative 31 March 2013 RM'000	6 months Cumulative 31 March 2012 RM'000
Revenue		30,563	37,343	62,296	78,697
Cost of sales		(22,445)	(27,830)	(45,291)	(59,590)
Gross profit		8,118	9,513	17,005	19,107
Other operating income		682	204	1,167	688
Selling and distribution expenses		(667)	(790)	(1,366)	(1,613)
Administrative expenses		(1,738)	(1,932)	(3,547)	(3,486)
Finance costs		(49)	(56)	(103)	(127)
Interest income		213	198	409	415
Profit before taxation		6,559	7,137	13,565	14,984
Taxation	B6	(1,622)	(1,621)	(3,418)	(3,754)
Profit for the period	B8	4,937	5,516	10,147	11,230
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		4,937	5,516	10,147	11,230
Attributable to :					
Equity holders of the Company		4,937	5,516	10,147	11,230
Earnings per share (sen):					
Basic	B12 (a)	3.72	4.17	7.65	8.48
Diluted	B12 (b)	3.72	4.16	7.64	8.47
Single Tier dividend per share (sen)		4.00	4.00	8.00	8.00

Note:

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the Interim Financial Report.



WELLCALL HOLDINGS BERHAD (707346 - W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

(The figures have not been audited)

	As at 31 March 2013 RM'000	(Audited) As at 30 September 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,262	29,256
Other investment	10	10
	<u>29,272</u>	<u>29,266</u>
Current Assets		
Inventories	14,300	16,537
Trade receivables	4,110	5,816
Other receivables, deposits and prepayment	990	1,002
Deposits with licensed banks	25,447	22,182
Cash and bank balances	19,218	19,498
	<u>64,065</u>	<u>65,035</u>
TOTAL ASSETS	<u>93,337</u>	<u>94,301</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	66,288	66,288
Share premium	2,130	2,130
Capital reserve	254	242
Retained profits	11,866	12,325
Total Equity	<u>80,538</u>	<u>80,985</u>
Non-current liabilities		
Deferred taxation	2,813	2,844
Current liabilities		
Trade payables	3,434	3,063
Other payables and accruals	3,854	5,709
Provision for taxation	2,698	1,700
	<u>9,986</u>	<u>10,472</u>
Total liabilities	<u>12,799</u>	<u>13,316</u>
TOTAL EQUITY AND LIABILITIES	<u>93,337</u>	<u>94,301</u>
Net Assets per share (RM)	<u>0.607</u>	<u>0.611</u>

Note:

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the Interim Financial Report



WELLCALL HOLDINGS BERHAD (707346 - W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Second Quarter Ended 31 March 2013

(The figures have not been audited)

	<-----Non-distributable----->				<-Distributable->	
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000
As at 1 October 2012	66,288	2,130	242	-	12,325	80,985
ESOS						
Share options granted	-	-	12	-	-	12
Share options exercised/cancelled	-	-	-	-	-	-
Profit for the period	-	-	-	-	10,147	10,147
Dividend	-	-	-	-	(10,606)	(10,606)
As at 31 March 2013	66,288	2,130	254	-	11,866	80,538

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the Interim Financial Report.



WELLCALL HOLDINGS BERHAD (707346 - W)

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

For The Second Quarter Ended 31 March 2013

(The figures have not been audited)

	Note	6 months ended 31 March 2013 RM'000	6 months ended 31 March 2012 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,565	14,984
Adjustments for:			
Depreciation of property, plant and equipment		1,743	1,944
Staff costs under ESOS		12	28
Unrealised gain on foreign exchange		(1,090)	(686)
(Gain)/loss on disposal of property, plant and equipment		(76)	-
Interest expense		103	127
Interest income		(409)	(415)
Operating profit before working capital changes		<u>13,848</u>	<u>15,982</u>
Inventories		2,236	4,260
Receivables		2,635	663
Payables		<u>(1,484)</u>	<u>(1,507)</u>
Cash generated from operations		17,235	19,398
Tax paid		(2,451)	(1,547)
Interest paid		(103)	(127)
Interest received		409	415
Net cash generated from operating activities		<u>15,090</u>	<u>18,139</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of fixed assets		148	-
Purchase of property, plant and equipment		<u>(1,647)</u>	<u>(2,089)</u>
Net cash used in investing activities		<u>(1,499)</u>	<u>(2,089)</u>
CASHFLOW FROM FINANCING ACTIVITIES			
Dividend paid		<u>(10,606)</u>	<u>(9,926)</u>
Net cash used in financing activities		<u>(10,606)</u>	<u>(9,926)</u>
NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENTS		2,985	6,124
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		<u>41,680</u>	<u>33,295</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	A14	<u>44,665</u>	<u>39,419</u>

Note:

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2013 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the Interim Financial Report



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2012.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2012 except for the adoption of new FRSs, amendments to FRS and Issues Committee ("IC") Interpretations. The adoption of these new FRSs, amendments to FRS and IC Interpretations do not have material financial impact on the results and the financial position of the Group except for the adopting of the following FRSs :-

FRS 101: Presentation of Financial Statements

The revised FRS 101 requires Statement of Changes in Equity to include only transaction with owner changes in equity, and all non-owner changes in equity are presented separately in statement of Comprehensive Income, which can be presented as a single statement or two statements. The Group has applied this standard retrospectively and elected to present in two statements. Certain comparative figures have been reclassified to conform with the current period's presentation. There is no impact in the results of the Group apart from the new presentation as described.

2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 30 September 2012 was not subject to any qualification.

3. Comments about Seasonality or Cyclicity of Operations

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

4. Extraordinary and Exceptional Items

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and current financial year-to-date under review.

7. Dividend paid

A first interim single tier dividend of 4.0 sen on 132,576,015 ordinary shares of RM0.50 each in respect of the financial year ending 30 September 2013 amounting to approximately RM5,303,040.60 was paid on 26 March 2013.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

Part A - Explanatory Notes Pursuant to FRS 134 (Cont'd)

8. Segmental information

Segmental information for the Group by geographical and business segment is presented as follows:

Geographical Segments	6 Months	6 Months
	period ended 31 March 2013	period ended 31 March 2012
Revenue	RM'000	RM'000
Export Market		
USA/Canada	9,243	15,201
Asia	14,306	15,253
Europe	9,359	12,702
Middle East	7,789	10,028
South America	8,949	8,573
Australia/New Zealand	5,801	8,897
Africa	1,910	3,761
	<u>57,357</u>	<u>74,415</u>
Local Market	<u>4,939</u>	<u>4,282</u>
	<u>62,296</u>	<u>78,697</u>
Results		
Export Market	12,490	14,168
Local Market	1,075	816
Profit from operations	<u>13,565</u>	<u>14,984</u>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in only one business segment which is the manufacture of rubber hose.

9. Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current quarter under review. The valuation of property, plant and equipment have been brought forward without amendments from the previous audited financial statements.

10. Material events subsequent to the end of the quarter

Save as disclosed below and in Note 10 of Part B, in the opinion of the Directors, there were no material events between the end of the current quarter under review and the date of this report, which is likely to substantially affect the current quarterly results under review.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 11 May 2013 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

13. Capital commitments

As at 11 May 2013, the Group had commitments for significant approved and contracted for capital expenditures amounting to approximately RM4,634,480.

14. Cash and cash equivalents

	As at 31 March 2013	As at 31 March 2012
	RM'000	RM'000
Deposits with licensed banks	25,447	30,951
Cash & bank balances	19,218	8,468
	<u>44,665</u>	<u>39,419</u>



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1. Performance review

1.1 Analysis of Current Quarter Performance

	Current quarter ended 31 March 2013 RM'000	Preceding year corresponding quarter 31 March 2012 RM'000	Variation RM'000	%
Revenue				
- Export	28,313	35,690	(7,377)	(20.67)
- Local	2,250	1,653	597	36.12
	30,563	37,343	(6,780)	(18.16)
Profit before taxation	6,559	7,137	(578)	(8.10)

For the current quarter ended 31 March 2012, the Group recorded revenue of RM30 563 million, representing a decrease of RM6 780 million or approximately 18.16% on a quarter to quarter basis. The export markets and local market contributed approximately 92.1% and 7.9% respectively to the Group's revenue. The export market registered a decline of 20.67% and the local market recorded a significant increase of 36.12%.

The Group reported a profit before taxation ("PBT") of RM6 559 million for the current quarter ended 31 March 2013 compared to PBT of RM7 137 million recorded in the corresponding quarter ended 31 March 2012, representing a decrease of RM0 578 million or 8.10%. The decrease in PBT is not in line with the decrease in turnover and is mainly attributable to lower raw material cost.

1.2 Analysis of year-to-date performance

	6 Months period ended 31 March 2013 RM'000	6 Months period ended 31 March 2012 RM'000	Variation RM'000	%
Revenue				
- Export	57,357	74,415	(17,058)	(22.92)
- Local	4,939	4,282	657	15.34
	62,296	78,697	(16,401)	(20.84)
Profit before taxation	13,565	14,984	(1,419)	(9.47)

For the current six (6) months ended 31 March 2013, the Group recorded revenue of RM62 296 million, representing an decrease of RM16 401 million or approximately 20.84% from RM78 697 million achieved in the corresponding period of the preceding financial year. The export markets contributed approximately 92.1% to the Group's revenue. The export market registered a decline of 22.92% whilst the local market recorded a growth of 15.34% compared to the corresponding period of the preceding financial year. The following set out various factors contributing to the decline in the export market:

- (i) The softening of global demand in the first half of 2013 which lead to a lower sales order for industrial rubber hose; and
- (ii) The customers reducing the inventory holding in anticipation of gradual decline in raw material prices since October 2012.

The Group reported a profit before taxation ("PBT") of RM13 565 million for the six (6) months ended 31 March 2013 compared to PBT of RM14 984 million recorded in the corresponding period ended 31 March 2012, representing a decrease of RM1 419 million or 9.47%. The decrease in PBT is not in line with the decrease in turnover and is mainly attributable to lower material cost.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

2. Comparisons with previous quarter's results	Current	Preceding	Variation	
	quarter ended 31 March 2013 RM'000	quarter ended 31 December 2012 RM'000	RM'000	%
Revenue	30,563	31,733	(1,170)	(3.69)
Profit before taxation	6,559	7,006	(447)	(6.38)

The Group reported a lower PBT of RM6 559 million for the current quarter ended 31 March 2013 compared to PBT of RM6 559 million recorded in the preceding quarter ended 31 December 2012. The decrease in PBT is mainly attributable to the decrease in turnover. The decrease in PBT is not in line with the decrease in turnover and are mainly attributable to one off bonus payout of RM0 699 million for the current quarter ended 31 March 2013.

3. Prospects

The outlook for the global economy in 2013 remains challenging and uncertain. Nevertheless, the Group's strategies remain focused on leveraging on its extensive customer network, competitive products, quality services and a wider range of products to enhance its competitive edge. To address the impact of the impending implementation of minimum wage in 2013, the Group is expending considerable effort in production automation as well as undertaking research and development to improve the productivity and efficiency of its production lines. We believe that these investments will significantly reduce our dependence on manual labour. In the near term, the Group expects the main raw material prices of natural rubber and synthetic rubber to trend at current levels as the ongoing Euro-zone economic crisis, weak growth in major rubber consuming countries such as the United States, China and India coupled with rising natural rubber production in the Asean region will continue to affect the raw material prices.

Barring unforeseen circumstances, the Board believe that the Group's prospects for the financial year ending 30 September 2013 remains favourable.

4. Board of directors statement on internal targets

The Group did not announce or disclose any profit estimates, forecast, projections or internal management targets in a public documents.

5. Profit forecast or profit guarantee

The Group did not announce or disclose any profit forecast or profit guarantee in a public document.

6. Taxation

	3 months ended 31 March 2013 RM'000	6 months ended 31 March 2013 RM'000
Income tax	1,641	3,449
Deferred tax		
- Current period	(19)	(31)
	(19)	(31)
	1,622	3,418

The deferred tax liabilities arose from accelerated capital allowances over depreciation of qualifying plant and equipment.

7. Group's borrowings and debt securities

As at 11 May 2013, the Group does not have any outstanding borrowings.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

8. Profit for the period

	3 months ended 31 March 2013 RM'000	6 months ended 31 March 2013 RM'000
Profit for the period is arrived at after (charging)/crediting :-		
(i) Depreciation	959	1,743
(ii) Foreign exchange gain	485	1,090

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

9. Disclosure of realised and unrealised profits

The breakdown of the retained profits of Wellcall Holdings Bhd and its subsidiary company ("Group") as at 31 March 2012, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows :

	As at 31 March 2013 RM'000	As at 30 Sept 2012 RM'000
Total retained profits/(accumulated losses) of the Group		
- realised	40,125	41,473
- unrealised		
in respect of deferred tax recognised in income statement	(2,813)	(2,844)
in respect of foreign exchange translation	605	(253)
	(2,208)	(3,097)
	37,917	38,376
Less: Consolidation Adjustments	(26,051)	(26,051)
Total Group retained profits as per consolidated accounts	11,866	12,325

10. Dividends

The Board of Directors have recommended a second interim single tier dividend of 4.0 sen per share amounting to approximately RM5,303,040.60 in respect of the financial year ending 30 September 2013. The entitlement date and payment date for the said dividend shall be 5 June 2013 and 26 June 2013 respectively. During the previous corresponding period, the Company declared a second interim single tier dividend of 4.0 sen per share for the financial year ended 30 September 2012 amounted to RM5,294,340.60. The total dividend paid and payable for the current financial year is 8.0 sen per share.

The total dividend payable by the Company in respect of the financial year ending 30 September 2013 is 4.0 sen per share represented by a total amount of approximately RM5,303,040.60.

Records of Dividends

Financial Year	Dividend per share (sen)	Total Dividend (RM'000)	Status
2013	4.00 (2nd interim)	5,303,041	Payable
	4.00 (1st interim)	5,303,041	Paid
	8.00	10,606,082	
2012	16.00	21,203,464	Paid
2011	12.00	15,867,047	Paid
2010	11.00	14,500,860	Paid
2009	11.00	14,372,251	Paid
2008 *	8.67	11,162,210	Paid
2007 *	6.34	8,055,482	Paid
2006 *	2.43	3,000,300	Paid
Total		98,767,696	

* adjusted to reflect the bonus issue of 42,646,005 new ordinary shares of RM0.50 each in the Company ("Shares") ("Bonus Share") on the basis of 1 Bonus Share for every 2 existing Shares held in the Company, which was completed on 22 February 2008



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 31 March 2013

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

11. Material litigation

Neither the Company nor its subsidiary company is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary company and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary company.

12. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period

Weighted average number of ordinary shares for calculation of basic earnings per share:

	3 months ended 31 March 2013 RM'000	6 months ended 31 March 2013 RM'000
Profit attributable to shareholders	4,937	10,147
Issued ordinary shares at the beginning of period ('000)	132,576	132,576
Effect of shares issued during the period ('000)	-	-
Weighted average number of shares in issue ('000)	132,576	132,576
Basic earnings per share (sen)	3.72	7.65

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the adjusted weighted average number of ordinary shares issued and issuable during the period.

Adjusted weighted average number of ordinary shares issued and issuable used for the calculation of diluted earnings per share:

	3 months ended 31 March 2013 RM'000	6 months ended 31 March 2013 RM'000
Profit after taxation	4,937	10,147
Issued ordinary shares at the beginning of period ('000)	132,576	132,576
Effect of shares issued during the period ('000)	-	-
Effect of share options ('000)	193	193
Weighted average number of shares in issue ('000)	132,769	132,769
Diluted earnings per share (sen)	3.72	7.64

13. Status of corporate proposals

On 13 June 2012, Wellcall Hose (M) Sdn Bhd ("WHSB"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with Mr Foo Kim Wai (NRIC:631121-08-5495) ("Vendor") for the proposed acquisition of a piece of leasehold vacant industrial land held under Geran HS (D) 5053/82 for Lot PI 744, situated in Mukim Sungai Terap, Daerah Kinta, Perak measuring approximately 8.16 acres for a total purchase consideration of RM4,634,480.00 ("Proposed Acquisition"). On 26 February 2013, WHSB entered into a supplemental agreement ("SA") with Vendor to vary and substitute some of the terms and conditions in the SPA to facilitate the Vendor to settle the premium of RM1,797,565.80 payable to the Pejabat Daerah Dan Tanah Kinta Batu Gajah for the renewal of the lease of the land purchased. The Proposed Acquisition is expected to be completed during the first half of the year ending 2013.

14. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 16 May 2013

By order of the Board

Wong Shan May (F) (LS 0008582)
Company Secretary
16 May 2013