



WELLCALL HOLDINGS BERHAD (707346 - W)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Third Quarter Ended 30 June 2013

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 30 June 2013 RM'000	Preceding year corresponding quarter 30 June 2012 RM'000	9 months Cumulative 30 June 2013 RM'000	9 months Cumulative 30 June 2012 RM'000
Revenue		35,526	37,570	97,822	116,268
Cost of sales		(25,031)	(27,831)	(70,323)	(87,420)
Gross profit		10,495	9,739	27,499	28,848
Other operating income		844	747	2,010	1,433
Selling and distribution expenses		(789)	(835)	(2,155)	(2,448)
Administrative expenses		(1,744)	(1,682)	(5,291)	(5,168)
Finance costs		(5)	(64)	(107)	(191)
Interest income		176	166	585	581
Profit before taxation		8,977	8,071	22,541	23,055
Taxation	B6	(2,165)	(1,871)	(5,583)	(5,624)
Profit for the period	B8	6,812	6,200	16,958	17,431
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		6,812	6,200	16,958	17,431
Attributable to :					
Equity holders of the Company		6,812	6,200	16,958	17,431
Earnings per share (sen):					
Basic	B12 (a)	5.14	4.68	12.79	13.17
Diluted	B12 (b)	5.13	4.67	12.77	13.13
Single Tier dividend per share (sen)		5.00	4.00	13.00	12.00

Note:

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 30 June 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 30 June 2013

(The figures have not been audited)

	As at 30 June 2013 RM'000	(Audited) As at 30 September 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,261	29,256
Other investment	10	10
	<u>29,271</u>	<u>29,266</u>
Current Assets		
Inventories	13,745	16,537
Trade receivables	5,811	5,816
Other receivables, deposits and prepayment	761	1,002
Deposits with licensed banks	26,213	22,182
Cash and bank balances	19,337	19,498
	<u>65,867</u>	<u>65,035</u>
TOTAL ASSETS	<u>95,138</u>	<u>94,301</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	66,333	66,288
Share premium	2,168	2,130
Capital reserve	236	242
Retained profits	13,374	12,325
Total Equity	<u>82,111</u>	<u>80,985</u>
Non-current liabilities		
Deferred taxation	2,867	2,844
Current liabilities		
Trade payables	4,129	3,063
Other payables and accruals	4,473	5,709
Provision for taxation	1,558	1,700
	<u>10,160</u>	<u>10,472</u>
Total liabilities	<u>13,027</u>	<u>13,316</u>
TOTAL EQUITY AND LIABILITIES	<u>95,138</u>	<u>94,301</u>
Net Assets per share (RM)	<u>0.619</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 Third Quarter Ended 30 June 2013

(The figures have not been audited)

	<-----Non-distributable----->			<-----Distributable----->		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	
As at 1 October 2012	66,288	2,130	242	-	12,325	80,985
ESOS						
Share options granted	-	-	17	-	-	17
Share options exercised/cancelled	45	38	(23)	-	-	60
Profit for the period	-	-	-	-	16,958	16,958
Dividend	-	-	-	-	(15,909)	(15,909)
As at 30 June 2013	66,333	2,168	236	-	13,374	82,111

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 Third Quarter Ended 30 June 2013

(The figures have not been audited)

	9 months ended 30 June 2013 RM'000	9 months ended 30 June 2012 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,541	23,055
Adjustments for:		
Depreciation of property, plant and equipment	2,525	2,892
Staff costs under ESOS	17	42
Unrealised gain on foreign exchange	(1,932)	(1,380)
(Gain)/loss on disposal of property, plant and equipment	(76)	(50)
Interest expense	107	191
Interest income	(585)	(581)
Operating profit before working capital changes	<u>22,597</u>	<u>24,169</u>
Inventories	2,792	6,058
Receivables	2,007	(1,149)
Payables	<u>(172)</u>	<u>(1,300)</u>
Cash generated from operations	27,224	27,778
Tax paid	(5,703)	(3,379)
Interest paid	(107)	(191)
Interest received	<u>585</u>	<u>581</u>
Net cash generated from operating activities	<u>21,999</u>	<u>24,789</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	148	50
Purchase of property, plant and equipment	<u>(2,428)</u>	<u>(2,830)</u>
Net cash used in investing activities	<u>(2,280)</u>	<u>(2,780)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid	(15,909)	(15,230)
Proceeds from issuance of shares pursuant to employees' share options scheme	60	145
Net cash used in financing activities	<u>(15,849)</u>	<u>(15,085)</u>
NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENTS	3,870	6,924
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>41,680</u>	<u>33,295</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD A14	<u>45,550</u>	<u>40,219</u>

Note:

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 30 June 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)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 June 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 second 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 June 2013.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 June 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	9 Months period ended 30 June 2013 RM'000	9 Months period ended 30 June 2012 RM'000
Revenue		
<i>Export Market</i>		
USA/Canada	13,040	23,893
Asia	21,903	21,559
Europe	14,145	18,094
Middle East	14,119	14,541
South America	14,678	12,483
Australia/New Zealand	8,548	11,940
Africa	2,866	4,602
	89,299	107,112
<i>Local Market</i>	8,523	9,156
	97,822	116,268
Results		
<i>Export Market</i>	20,577	21,239
<i>Local Market</i>	1,964	1,816
Profit from operations	22,541	23,055

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 23 August 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 23 August 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 30 June 2013 RM'000	As at 30 June 2012 RM'000
Deposits with licensed banks	26,213	33,376
Cash & bank balances	19,337	6,843
	45,550	40,219



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Third Quarter Ended 30 June 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 30 June 2013 RM'000	Preceding year corresponding quarter 30 June 2012 RM'000	Variation RM'000	%
Revenue				
- Export	31,942	33,690	(1,748)	(5.19)
- Local	3,584	3,880	(296)	(7.63)
	<u>35,526</u>	<u>37,570</u>	(2,044)	(5.44)
Profit before taxation	<u>8,977</u>	<u>8,071</u>	906	11.23

For the current quarter ended 30 June 2013, the Group recorded revenue of RM35,526 million, representing a decrease of RM2,044 million or approximately 5.44% on a quarter to quarter basis. The export markets and local market contributed approximately 89.1% and 11.9% respectively to the Group's revenue. The export market and local market registered a decline of 5.19% and 7.63% respectively.

The Group reported a profit before taxation ("PBT") of RM8,977 million for the current quarter ended 30 June 2013 compared to PBT of RM8,071 million recorded in the corresponding quarter ended 30 June 2012, representing an increase of RM0,906 million or 11.23%. The increase in PBT is not in line with the decrease in turnover and is mainly attributable to lower raw material cost and favourable foreign exchange gain.

1.2 Analysis of year-to-date performance

	9 Months period ended 30 June 2013 RM'000	9 Months period ended 30 June 2012 RM'000	Variation RM'000	%
Revenue				
- Export	89,299	107,112	(17,813)	(16.63)
- Local	8,523	9,156	(633)	(6.91)
	<u>97,822</u>	<u>116,268</u>	(18,446)	(15.87)
Profit before taxation	<u>22,541</u>	<u>23,055</u>	(514)	(2.23)

For the current nine (9) months ended 30 June 2013, the Group recorded revenue of RM97,822 million, representing a decrease of RM18,447 million or approximately 15.87% from RM116,268 million achieved in the corresponding period of the preceding financial year. The export markets contributed approximately 91.3% to the Group's revenue. The export market and local market registered a decline of 16.63% respectively compared to the corresponding period of the preceding financial year. The following sets out various factors contributing to the decline in the export and local markets:

- (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 RM22,541 million for the nine (9) months ended 30 June 2013 compared to PBT of RM23,055 million recorded in the corresponding period ended 30 June 2012, representing a decrease of RM0,514 million or 2.23%. The decrease in PBT is not in line with the decrease in turnover and is mainly attributable to lower material cost and favourable foreign currency exchange gain.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 June 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 30 June 2013 RM'000	quarter ended 31 March 2013 RM'000	RM'000	%
Revenue	35,526	30,563	4,963	16.24
Profit before taxation	8,977	6,559	2,418	36.87

The Group reported a higher PBT of RM8 977 million for the current quarter ended 30 June 2013 compared to PBT of RM6.559 million recorded in the preceding quarter ended 31 March 2013. The increase in PBT is mainly attributable to the increase in turnover. The increase in PBT is not in line with the increase in turnover and are mainly attributable to lower cost of raw material and favourable foreign exchange gain.

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 document.

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 30 June 2013 RM'000	9 months ended 30 June 2013 RM'000
Income tax	2,111	5,560
Deferred tax		
- Current period	54	23
	54	23
	2,165	5,583

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 23 August 2013, the Group does not have any outstanding borrowings.



QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 June 2013

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

8. Profit for the period

	3 months ended 30 June 2013 RM'000	9 months ended 30 June 2013 RM'000
Profit for the period is arrived at after (charging)/crediting :-		
(i) Depreciation	781	2,525
(ii) Foreign exchange gain	842	1,932

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 Welcall 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 30 June 2013 RM'000	As at 30 Sept 2012 RM'000
Total retained profits/(accumulated losses) of the Group		
- realised	41,421	41,473
- unrealised		
in respect of deferred tax recognised in income statement	(2,867)	(2,844)
in respect of foreign exchange translation	871	(253)
	(1,996)	(3,097)
	39,425	38,376
Less: Consolidation Adjustments	(26,051)	(26,051)
Total Group retained profits as per consolidated accounts	13,374	12,325

10. Dividends

The Board of Directors have recommended a third interim single tier dividend of 5.0 sen per share amounting to approximately RM6,633,300.80 in respect of the financial year ending 30 September 2013. The entitlement date and payment date for the said dividend shall be 12 September 2013 and 26 September 2013 respectively. During the previous corresponding period, the Company declared a third interim single tier dividend of 4.0 sen per share for the financial year ended 30 September 2012 amounted to RM5,303,040.60. The total dividend paid and payable for the current financial year is 13.0 sen per share.

The total dividend payable by the Company in respect of the financial year ending 30 September 2013 is 5.0 sen per share represented by a total amount of approximately RM6,633,300.80.

Records of Dividends

Financial Year	Dividend per share (sen)	Total Dividend (RM'000)	Status
2013	5.00 (3rd interim)	6,633,301	Payable
	4.00 (2nd interim)	5,303,041	Paid
	4.00 (1st interim)	5,303,041	Paid
	13.00	17,239,383	
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		105,400,997	

* 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 Third Quarter Ended 30 June 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 30 June 2013 RM'000	9 months ended 30 June 2013 RM'000
Profit attributable to shareholders	6,812	16,958
Issued ordinary shares at the beginning of period ('000)	132,576	132,576
Effect of shares issued during the period ('000)	10	3
Weighted average number of shares in issue ('000)	132,586	132,579
Basic earnings per share (sen)	5.14	12.79

(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 30 June 2013 RM'000	9 months ended 30 June 2013 RM'000
Profit after taxation	6,812	16,958
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)	211	230
Weighted average number of shares in issue ('000)	132,787	132,806
Diluted earnings per share (sen)	5.13	12.77

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 ("Said land") 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 ("Pejabat Tanah") for the renewal of the lease of the land purchased. Pejabat Tanah had on 15 July 2013, approved the application for the transfer of title pertaining to the Said Land to WHSB with the condition that the transfer has to be executed within one (1) year from date the said approval. In addition, Pejabat Tanah had on 1 August 2013, approved the application for change of existing category of land use "Perusahaan" (or Industrial) and express condition "Perusahaan Berat - Kilang Lampu" to "Perusahaan Berat - Kilang Getah". The Proposed Acquisition is expected to be completed during the second half of 2013



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 June 2013

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

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 26 August 2013

By order of the Board

Wong Shan May (F) (LS 0008582)
Company Secretary
26 August 2013