



**WELLCALL HOLDINGS BERHAD (707346 - W)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For The Second Quarter Ended 31 March 2014**  
 (The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31 Mar 2014 RM'000	Preceding year corresponding quarter ended 31 Mar 2013 RM'000	6 months Cumulative 31 Mar 2014 RM'000	6 months Cumulative 31 Mar 2013 RM'000
Revenue		33,971	30,563	69,269	62,296
Cost of sales		(22,814)	(22,445)	(46,991)	(45,291)
Gross profit		11,157	8,118	22,278	17,005
Other operating income		392	682	1,002	1,167
Selling and distribution expenses		(811)	(667)	(1,738)	(1,366)
Administrative expenses		(1,831)	(1,738)	(3,389)	(3,547)
Finance costs		(61)	(49)	(125)	(103)
Interest income		230	213	420	409
<b>Profit before taxation</b>		<b>9,076</b>	<b>6,559</b>	<b>18,448</b>	<b>13,565</b>
Taxation	B6	(2,049)	(1,622)	(4,208)	(3,418)
<b>Profit for the period</b>	B8	<b>7,027</b>	<b>4,937</b>	<b>14,240</b>	<b>10,147</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>7,027</b>	<b>4,937</b>	<b>14,240</b>	<b>10,147</b>
<b>Attributable to :</b>					
Equity holders of the Company		7,027	4,937	14,240	10,147
<b>Earnings per share (sen):</b>					
Basic	B12 (a)	2.12	1.49	4.29	3.06
Diluted	B12 (b)	2.12	1.49	4.29	3.06
<b>Single Tier dividend per share (sen)</b>		<b>2.00</b>	<b>1.60</b>	<b>4.00</b>	<b>3.20</b>

**Note:**

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2014 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2013 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 2014

(The figures have not been audited)

	As at 31 March 2014 RM'000	(Audited) As at 30 September 2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,706	28,032
Other investment	10	10
	<u>33,716</u>	<u>28,042</u>
<b>Current Assets</b>		
Inventories	17,117	17,082
Trade receivables	3,647	4,750
Other receivables, deposits and prepayment	407	2,197
Deposits with licensed banks	27,531	28,431
Cash and bank balances	17,780	17,610
	<u>66,482</u>	<u>70,070</u>
<b>TOTAL ASSETS</b>	<u>100,198</u>	<u>98,112</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share capital	66,333	66,333
Share premium	2,168	2,168
Capital reserve	242	242
Retained profits	15,446	14,473
<b>Total Equity</b>	<u>84,189</u>	<u>83,216</u>
<b>Non-current liabilities</b>		
Deferred taxation	2,803	2,821
<b>Current liabilities</b>		
Trade payables	4,546	4,313
Other payables and accruals	4,679	5,554
Provision for taxation	3,981	2,208
	<u>13,206</u>	<u>12,075</u>
Total liabilities	<u>16,009</u>	<u>14,896</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>100,198</u>	<u>98,112</u>
Net Assets per share (RM)	0.635	0.627

**Note:**

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2013 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 2014**

(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 2013	66,333	2,168	242	-	14,473	83,216
ESOS						
Share options granted	-	-	-	-	-	-
Share options exercised/cancelled	-	-	-	-	-	-
Profit for the period	-	-	-	-	14,240	14,240
Dividend	-	-	-	-	(13,267)	(13,267)
As at 31 March 2014	<u>66,333</u>	<u>2,168</u>	<u>242</u>	<u>-</u>	<u>15,446</u>	<u>84,189</u>

**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 2013 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 2014**

(The figures have not been audited)

	Note	6 months ended 31 March 2014 RM'000	6 months ended 31 March 2013 RM'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		18,448	13,565
Adjustments for:			
Depreciation of property, plant and equipment		1,828	1,743
Staff costs under ESOS		-	12
Unrealised gain on foreign exchange		(919)	(1,090)
(Gain)/loss on disposal of property, plant and equipment		(82)	(76)
Interest expense		125	103
Interest income		(420)	(409)
Operating profit before working capital changes		<u>18,980</u>	<u>13,848</u>
Inventories		(35)	2,236
Receivables		3,812	2,635
Payables		(641)	(1,484)
Cash generated from operations		<u>22,116</u>	<u>17,235</u>
Tax paid		(2,454)	(2,451)
Interest paid		(125)	(103)
Interest received		420	409
Net cash generated from operating activities		<u>19,957</u>	<u>15,090</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		82	148
Purchase of property, plant and equipment		(7,502)	(1,647)
Net cash used in investing activities		<u>(7,420)</u>	<u>(1,499)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(13,267)	(10,606)
Net cash used in financing activities		<u>(13,267)</u>	<u>(10,606)</u>
<b>NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENTS</b>		<b>(730)</b>	<b>2,985</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<u>46,041</u>	<u>41,680</u>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	A14	<u>45,311</u>	<u>44,665</u>

**Note:**

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2014 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2013 and the accompanying explanatory notes attached to the Interim Financial Report.



WELLCALL HOLDINGS BERHAD (707346-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 31 March 2014

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**Part A - Explanatory Notes Pursuant to MFRS 134**

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**1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") 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 2013. 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 2013.

**Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2013 except for the adoption of new MFRSs, amendments to MFRS and Issues Committee ("IC") Interpretations. The adoption of these new MFRSs, amendments to MFRS and IC Interpretations do not have material financial impact on the results and the financial position of the Group.

**2. Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the financial year ended 30 September 2013 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 5.0 sen on 132,666,015 ordinary shares of RM0.50 each in respect of the financial year ending 30 September 2014 amounting to approximately RM6,633,300.80 was paid on 26 March 2014.



WELLCALL HOLDINGS BERHAD (707346-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 31 March 2014

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

**8. Segmental information**

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

<b>Geographical Segments</b>	<b>6 Months period ended 31 March 2014</b>	<b>6 Months period ended 31 March 2013</b>
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Export Market</b>		
Asia	15,429	14,306
Middle East	10,643	7,789
Europe	11,021	9,359
USA/Canada	8,945	9,243
South America	7,838	8,949
Australia/New Zealand	6,934	5,801
Africa	1,638	1,910
	<b>62,448</b>	<b>57,357</b>
<b>Local Market</b>		
	<b>6,821</b>	<b>4,939</b>
	<b>69,269</b>	<b>62,296</b>
<b>Results</b>		
<b>Export Market</b>	<b>16,631</b>	<b>12,490</b>
<b>Local Market</b>	<b>1,817</b>	<b>1,075</b>
<b>Profit from operations</b>	<b>18,448</b>	<b>13,565</b>

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 10 May 2014 (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 10 May 2014, there were no material commitment for capital expenditure contracted for or known to be contracted by the Group which might have a material impact on the financial position or business of the Group.

**14. Cash and cash equivalents**

	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with licensed banks	27,531	25,447
Cash & bank balances	17,780	19,218
	<b>45,311</b>	<b>44,665</b>



WELLCALL HOLDINGS BERHAD (707346-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 31 March 2014

**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 2014 RM'000	Preceding year corresponding quarter 31 March 2013 RM'000	Variation RM'000	%
Revenue				
- Export	30,873	28,313	2,560	9.04
- Local	3,098	2,250	848	37.69
	33,971	30,563	3,408	11.15
Profit before taxation	9,076	6,559	2,517	38.37

For the current quarter ended 31 March 2014, the Group recorded revenue of RM33.971 million, representing an increase of RM3.408 million or approximately 11.15% on a quarter to quarter basis. The export markets and local market contributed approximately 90.9% and 9.1% respectively to the Group's revenue. The export market recorded an increase of 9.04% and local market recorded a growth of 37.69%. The increase in turnover is mainly attributable to continued recovery in demand for our industrial rubber hose.

The Group reported a profit before taxation ("PBT") of RM9.076 million for the current quarter ended 31 March 2014 compared to PBT of RM6.559 million recorded in the corresponding quarter ended 31 March 2013, representing an increase of RM2.517 million or 38.37%. The increase in PBT is not in line with the increase in turnover and is mainly attributable to lower raw material cost, favourable foreign exchange gain and lower overheads as a result of higher utilisation of production capacity.

**1.2 Analysis of year-to-date performance**

	6 Months period ended 31 March 2014 RM'000	6 Months period ended 31 March 2013 RM'000	Variation RM'000	%
Revenue				
- Export	62,448	57,357	5,091	8.88
- Local	6,821	4,939	1,882	38.10
	69,269	62,296	6,973	11.19
Profit before taxation	18,448	13,565	4,883	36.00

For the current six (6) months ended 31 March 2014, the Group recorded revenue of RM69.296 million, representing an increase of RM6.973 million or approximately 11.19% from RM62.296 million achieved in the corresponding period of the preceding financial year. The export markets contributed approximately 90.15% to the Group's revenue. The export market registered a increase of 8.88% whilst the local market recorded a record growth of 38.10% compared to the corresponding period of the preceding financial year. The increase in turnover is mainly attributable to continued recovery in demand for our industrial rubber hose.

The Group reported a profit before taxation ("PBT") of RM18.448 million for the six (6) months ended 31 March 2014 compared to PBT of RM13.565 million recorded in the corresponding period ended 31 March 2013, representing an increase of RM4.883 million or 36%. The increase in PBT is not in line with the increase in turnover and is mainly attributable to lower raw material cost, favourable foreign exchange gain and lower overheads as a result of higher utilisation of production capacity.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)**

**2. Comparisons with previous quarter's results**

	Current quarter ended 31 March 2014 RM'000	Preceding quarter ended 31 Dec 2013 RM'000	Variation RM'000	%
Revenue	33,971	35,297	(1,326)	(3.76)
Profit before taxation	9,076	9,392	(316)	(3.36)

The Group reported a lower PBT of RM9.076 million for the current quarter ended 31 March 2014 compared to PBT of RM9.392 million recorded in the preceding quarter ended 31 December 2013. The decrease in PBT is not in line with the decrease in turnover after taking into consideration of one-off bonus payout of approximately RM0.650 million made during the current quarter. This is mainly attributable to lower raw material cost and favourable foreign exchange gain.

**3. Prospects**

Demand for industrial rubber hoses will continue to see gradual recovery from both the emerging and developed economies, with higher growth rates projected from the emerging markets. Moving forward, the Group will ensure it stays ahead of market trends, responding swiftly to changes for betterment through automation and research. In the near term, the Group expects the raw material prices to trend at current levels with possibly further downward inclination. The recent easing of these raw material prices has enabled a more favourable operating environment for sustainable growth in demand and earnings. The outlook for the global economy in the second half of 2014 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.

Barring unforeseen circumstances, the Board believe that the Group's prospects for the financial year ending 30 September 2014 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 2014 RM'000	6 months ended 31 March 2014 RM'000
Income tax	2,054	4,226
Deferred tax		
- Current period	(5)	(18)
	(5)	(18)
	2,049	4,208

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 10 May 2014, 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 2014

**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 2014 RM'000	6 months ended 31 March 2014 RM'000
Profit for the period is arrived at after (charging)/crediting :-		
(i) Depreciation	941	1,828
(ii) Foreign exchange gain	310	919

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive, 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 2014, 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 2014 RM'000	As at 30 Sept 2013 RM'000
Total retained profits/(accumulated losses) of the Group		
- realised	43,990	43,344
- unrealised		
in respect of deferred tax recognised in income statement	(2,803)	(2,821)
in respect of foreign exchange translation	310	1
	(2,493)	(2,820)
	41,497	40,524
Less: Consolidation Adjustments	(26,051)	(26,051)
Total Group retained profits as per consolidated accounts	15,446	14,473



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 31 March 2014

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

**10. Dividends**

The Board of Directors have recommended a second interim single tier dividend of 2.0 sen per share amounting to approximately RM6,633,300.74 in respect of the financial year ending 30 September 2014. The entitlement date and payment date for the said dividend shall be 3 June 2014 and 26 June 2014 respectively. During the previous corresponding period, the Company declared a second interim single tier dividend of 1.6 sen per share\* for the financial year ended 30 September 2013 amounted to RM5,303,040.60. The total dividend paid and payable for the current financial year is 4.0 sen per share.

The total dividend payable by the Company in respect of the financial year ending 30 September 2014 is 2.0 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
2014	2.00 (2nd interim)	6,633,301	Payable
2014 *	2.00	6,633,301	Paid
	4.00	13,266,602	
2013 *	7.20	23,872,684	Paid
2012 *	6.40	21,203,464	Paid
2011 *	4.80	15,867,047	Paid
2010 *	4.40	14,500,860	Paid
2009 *	4.40	14,372,251	Paid
2008 ^ *	3.47	11,162,210	Paid
2007 ^ *	2.54	8,055,482	Paid
2006 ^ *	0.97	3,000,300	Paid
<b>Total</b>		<b>125,300,900</b>	

\* adjusted to reflect the share split of every one (1) existing ordinary share of RM0.50 each in Wellcall into two and half (2.5) ordinary shares of RM0.20 each in Wellcall ("Shares") ("Share Split"), which was completed on 26 March 2014

^ 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

**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 2014 RM'000	6 months ended 31 March 2014 RM'000
Profit attributable to shareholders	7,027	14,240
Issued ordinary shares at the beginning of period ('000)	132,666	132,666
Adjusted for Share Split ('000)	198,999	198,999
Weighted average number of shares in issue ('000)	331,665	331,665
Basic earnings per share (sen)	2.12	4.29



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
For The Second Quarter Ended 31 March 2014

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

(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 2014 RM'000	6 months ended 31 March 2014 RM'000
Profit after taxation	7,027	14,240
Issued ordinary shares at the beginning of period ('000)	132,576	132,576
Adjusted for Share Split ('000)	198,999	198,999
Effect of share options ('000)	387	384
Weighted average number of shares in issue ('000)	331,962	331,959
Diluted earnings per share (sen)	2.12	4.29

**13. Status of corporate proposals**

**Proposed Share Split**

The Proposed Share Split involves the subdivision of every one (1) existing ordinary share of RM0.50 each in Wellcall into two and half (2.5) ordinary shares of RM0.20 each held by the shareholders of Wellcall whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later ("Proposed Share Split").

As at 25 November 2013, the issued and paid-up share capital of Wellcall is RM 66,333,007.50 divided into 132,666,015 ordinary shares of RM0.50 each. The Subdivided Shares shall, upon allotment and issue, rank pari passu in all respects with each other. The Subdivided Shares will be credited directly into the respective central depository system accounts of the entitled shareholders and there will not be any suspension on the trading of shares in Wellcall for the purpose of implementing the Proposed Share Split.

The Proposed Share Split has been approved by Bursa Malaysia Securities Sdn Bhd and shareholders of Wellcall on 18 December 2013 and 26 February 2014 respectively. The Proposed Share Split was completed on 26 March 2014.

**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 2014.

By order of the Board

Woon Oi Ling (F) (MAICSA 7032288)  
Company Secretary  
16 May 2014