



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For The Second Quarter Ended 31 March 2015**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31 Mar 2015 RM'000	Preceding year corresponding quarter ended 31 Mar 2014 RM'000	6 months Cumulative 31 Mar 2015 RM'000	6 months Cumulative 31 Mar 2014 RM'000
Revenue		37,777	33,971	81,907	69,269
Cost of sales		(23,645)	(22,814)	(52,503)	(46,991)
Gross profit		14,132	11,157	29,404	22,278
Other operating income		1,474	392	2,577	1,002
Selling and distribution expenses		(1,091)	(811)	(2,354)	(1,738)
Administrative expenses		(2,034)	(1,831)	(3,943)	(3,389)
Finance costs		(90)	(61)	(162)	(125)
Interest income		191	230	404	420
<b>Profit before taxation</b>		12,582	9,076	25,926	18,448
Taxation	B6	(2,888)	(2,049)	(6,029)	(4,208)
<b>Profit for the period</b>	B8	9,694	7,027	19,897	14,240
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		9,694	7,027	19,897	14,240
<b>Attributable to :</b>					
Equity holders of the Company		9,694	7,027	19,897	14,240
<b>Earnings per share (sen):</b>					
Basic	B12 (a)	2.92	2.12	5.99	4.29
Diluted	B12 (b)	2.92	2.12	5.98	4.29
<b>Single Tier dividend per share (sen)</b>		2.30	2.00	4.60	4.00

**Note:**

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2015 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2014 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 2015

(The figures have not been audited)

	Note	As at 31 March 2015 RM'000	(Audited) As at 30 September 2014 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		54,092	32,709
Other investment		10	10
		<u>54,102</u>	<u>32,719</u>
<b>Current Assets</b>			
Inventories		19,513	18,644
Trade receivables		5,324	6,292
Other receivables, deposits and prepayment		4,684	8,528
Deposits with licensed banks		22,633	26,970
Cash and bank balances		13,516	13,671
		<u>65,670</u>	<u>74,105</u>
<b>TOTAL ASSETS</b>		<u>119,772</u>	<u>106,824</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the equity holders of the parent</b>			
Share capital		66,393	66,393
Share premium		2,444	2,444
Capital reserve		126	126
Retained profits		22,021	17,393
<b>Total Equity</b>		<u>90,984</u>	<u>86,356</u>
<b>Non-current liabilities</b>			
Borrowings	B7	2,268	-
Deferred taxation		2,729	2,774
		<u>4,997</u>	<u>2,774</u>
<b>Current liabilities</b>			
Trade payables		4,341	6,295
Other payables and accruals		12,473	8,270
Provision for taxation		6,977	3,129
		<u>23,791</u>	<u>17,694</u>
Total liabilities		<u>28,788</u>	<u>20,468</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>119,772</u>	<u>106,824</u>
Net Assets per share (RM)		<u>0.274</u>	<u>0.260</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 2014 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 2015

(The figures have not been audited)

	<—Non-distributable—>			<-Distributable->	
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Retained Profits RM'000	Total RM'000
As at 1 October 2014	66,393	2,444	126	17,394	86,357
ESOS					
Share options granted	-	-	-	-	-
Share options exercised/cancelled	-	-	-	-	-
Profit for the period	-	-	-	19,897	19,897
Dividend	-	-	-	(15,270)	(15,270)
As at 31 March 2015	<u>66,393</u>	<u>2,444</u>	<u>126</u>	<u>22,021</u>	<u>90,984</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 2014 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 2015

(The figures have not been audited)

	Note	6 months ended 31 March 2015 RM'000	6 months ended 31 March 2014 RM'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		25,926	18,448
Adjustments for:			
Depreciation of property, plant and equipment		1,978	1,828
Staff costs under ESOS		-	-
Unrealised gain on foreign exchange		(2,414)	(919)
(Gain)/loss on disposal of property, plant and equipment		37	(82)
Interest expense		162	125
Interest income		(404)	(420)
Operating profit before working capital changes		<u>25,285</u>	<u>18,980</u>
Inventories		(869)	(35)
Receivables		4,813	3,812
Payables		2,249	(641)
Cash generated from operations		<u>31,478</u>	<u>22,116</u>
Tax paid		(2,225)	(2,454)
Interest paid		(162)	(125)
Interest received		404	420
Net cash generated from operating activities		<u>29,495</u>	<u>19,957</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		420	82
Purchase of property, plant and equipment		<u>(23,819)</u>	<u>(7,502)</u>
Net cash used in investing activities		<u>(23,399)</u>	<u>(7,420)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(15,270)	(13,267)
Proceeds from drawdown of loan share options scheme		2,268	0
Net cash used in financing activities		<u>(13,002)</u>	<u>(13,267)</u>
<b>NET INCREASE/(DECREASED) IN CASH AND CASH EQUIVALENT</b>		(6,906)	(730)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		2,414	82
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<u>40,641</u>	<u>46,041</u>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	A14	<u>36,149</u>	<u>45,393</u>

**Note:**

This is prepared based on the unaudited consolidated results of the Group for the current quarter ended 31 March 2015 and is to be read in conjunction with the audited financial statements for the financial year ended 30 September 2014 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 2015**

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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 2014. 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 2014.

**Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2014 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 2014 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**

Please refer to Part B Note 7 below.

**7. Dividend paid**

A first interim single tier dividend of 2.3 sen on 331,965,037 ordinary shares of RM0.20 each in respect of the financial year ending 30 September 2015 amounting to approximately RM7,635,196.51 was paid on 26 March 2015.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 March 2015

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:

Geographical Segments	6 Months	6 Months
	period ended	period ended
	31 Mar 2015	31 Mar 2014
<u>Revenue</u>	RM'000	RM'000
<i>Export Market</i>		
USA/Canada	17,729	15,429
Asia	15,971	10,643
Middle East	12,262	11,021
Europe	10,835	8,945
Australia/New Zealand	9,164	7,838
South America	7,568	6,934
Africa	2,987	1,638
	<u>76,516</u>	<u>62,448</u>
<i>Local Market</i>	5,391	6,821
	<u>81,907</u>	<u>69,269</u>
<u>Results</u>		
<i>Export Market</i>	24,220	16,631
<i>Local Market</i>	1,706	1,817
Profit from operations	<u>25,926</u>	<u>18,448</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 industrial 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 May 2015 (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 May 2015, the Group had commitments for approved and contracted for capital expenditures amounting approximately to RM10.62 million.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 March 2015

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

14. Cash and cash equivalents

	As at 31 Mar 2015 RM'000	As at 31 Mar 2014 RM'000
Deposits with licensed banks	22,403	27,531
Cash & bank balances	13,746	17,780
	<u>36,149</u>	<u>45,311</u>
Deposits with licensed banks	RM'000	RM'000
(i) Islamic	18,603	-
(ii) Non-Islamic	17,546	45,311
	<u>36,149</u>	<u>45,311</u>
Total cash (excluding islamic instrument) ("A") (RM'000)	31,292	45,311
Total assets ("B") (RM'000)	119,772	100,198
A / B (%)	26.13	45.22



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 March 2015

**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 Mar 2015 RM'000	Preceding year corresponding quarter 31 Mar 2014 RM'000	Variation	
			RM'000	%
Revenue				
- Export	35,163	30,873	4,290	13.90
- Local	2,614	3,098	(484)	(15.62)
	<u>37,777</u>	<u>33,971</u>	3,806	11.20
Profit before taxation	<u>12,582</u>	<u>9,076</u>	3,506	38.63

For the current quarter ended 31 March 2015, the Group recorded revenue of RM37.777 million, representing an increase of RM3.806 million or approximately 11.20% on a quarter to quarter basis. The export markets and local market contributed approximately 93% and 7% respectively to the Group's revenue. The export market recorded an increase of 13.9% while the local market recorded a decline of 15.6%. The increase in turnover is mainly attributable to continued recovery in demand for our products with the exception of local sales. Local customers held back orders in anticipation of the introduction of Government Service Tax ("GST") of 6%, which will result in lower tax paid compared to the previous Sales Tax rate of 10%.

The Group reported a profit before taxation ("PBT") of RM12.582 million for the current quarter ended 31 March 2015 compared to PBT of RM9.076 million recorded in the corresponding quarter ended 31 March 2014, representing an increase of RM3.506 million or 38.63%. The increase in PBT is not in line with the increase in turnover and are mainly attributable and is mainly attributable 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 Mar 2015 RM'000	6 months period ended 31 Mar 2014 RM'000	Variation	
			RM'000	%
Revenue				
- Export	76,516	62,448	14,068	22.53
- Local	5,391	6,821	(1,430)	(20.96)
	<u>81,907</u>	<u>69,269</u>	12,638	18.24
Profit before taxation	<u>25,926</u>	<u>18,448</u>	7,478	40.54

For the current six (6) months ended 31 March 2015, the Group recorded revenue of RM81.907 million, representing an increase of RM12.638 million or approximately 18.24% from RM69.269 million achieved in the corresponding period of the preceding financial year. The export markets contributed approximately 93% to the Group's revenue. The export market registered an increase of 22.53% whilst the local market recorded a decline of 20.96% compared to the corresponding period of the preceding financial year. The overall 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 RM25.926 million for the six (6) months ended 31 March 2015 compared to PBT of RM18.448 million recorded in the corresponding period ended 31 March 2014, representing an increase of RM7.478 million or 40.54%. 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.





WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 March 2015

**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 Mar 2015 RM'000	Preceding quarter ended 31 Dec 2014 RM'000	Variation	
			RM'000	%
Revenue	37,777	44,130	(6,353)	(14.40)
Profit before taxation	12,582	13,344	(762)	(5.71)

The Group reported a lower profit before tax of RM12.583 million for the current quarter ended 31 March 2015 compared to profit before tax of RM13.344 million recorded in the preceding quarter ended 31 December 2014. The decrease in PBT is not in line with the decrease in revenue and 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. Moving forward, the Group will ensure it stays ahead of market trends, responding swiftly to changes through automation and research. In the near term, the Group expects the raw material prices to trend at current levels or possibly further weakening of prices. The recent easing of raw material prices has enabled a more favourable operating environment for sustainable growth in demand and earnings. During the financial year, the Group has undertaken various marketing initiatives to expand its customer base with the view to absorb the additional capacity that will come onstream from Factory 3, which was completed in April 2015 (production expected to commence in July/August 2015). The outlook of the global economy for 2015 remains challenging and uncertain. Nevertheless, the Group's strategies remain focused on leveraging on its extensive customer network, competitive products, quality services and a wide 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 2015 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 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000
Income tax	2,932	2,054
Deferred tax		
- Current period	(44)	(5)
	2,888	2,049

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



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
For The Second Quarter Ended 31 March 2015

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

**7. Group's borrowings and debt securities**

The details of the Group's borrowings are as follows:

Description	31 Mar 2015 RM'000	30 Sep 2014 RM'000
Islamic - Term loan (secured)	2,268	-

**8. Profit for the period**

	3 Months ended 31 Mar 2015 RM'000	6 Months ended 31 Mar 2015 RM'000
Profit for the period is arrived at after (charging)/crediting :-		
(i) Depreciation	924	1,978
(ii) Foreign exchange gain	1,217	2,414

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 2015, 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 Mar 2015 RM'000	As at 30 Sept 2014 RM'000
Total retained profits/(accumulated losses) of the Group		
- realised	48,387	45,991
- unrealised		
in respect of deferred tax recognised in income statement	(2,729)	(2,774)
in respect of foreign exchange translation	2,414	228
	(315)	(2,546)
	48,072	43,445
Less: Consolidation Adjustments	(26,051)	(26,051)
Total Group retained profits as per consolidated accounts	22,021	17,394



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 31 March 2015

**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 2.3 sen per share amounting to approximately RM7,635,196.51 in respect of the financial year ending 30 September 2015. The entitlement date and payment date for the said dividend shall be 11 June 2015 and 23 June 2015 respectively. During the previous corresponding period, the Company declared a second interim single tier dividend of 2.0 sen per share for the financial year ended 30 September 2014 amounting to RM6,633,300.74.

The total dividend payable by the Company in respect of the financial year ending 30 September 2015 is 2.3 sen per share represented by a total amount of approximately RM7,635,196.51

**Record of Dividends**

Financial Year	Dividend	Total Dividend RM	Status
2015	2.30 (2nd interim)	7,635,196	Payable
2015	2.30	7,635,196	Paid
	<u>4.60</u>	<u>15,270,392</u>	
2014 *	8.30	27,541,099	Paid
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>		<u>154,845,789</u>	

\* 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.



WELLCALL HOLDINGS BERHAD (707346-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

For The Second Quarter Ended 31 March 2015

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

**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 Mar 2015 RM'000	6 Months ended 31 Mar 2015 RM'000
Profit attributable to shareholders	9,694	19,897
Issued ordinary shares at the beginning of period ('000)	331,965	331,965
Effect of shares issued during the period ('000)	-	-
Weighted average number of shares in issue ('000)	331,965	331,965
Basic earnings per share (sen)	2.92	5.99

(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 Mar 2015 RM'000	6 Months ended 31 Mar 2015 RM'000
Profit after taxation	9,694	19,897
Issued ordinary shares at the beginning of period ('000)	331,965	331,965
Effect of shares issued during the period ('000)	-	-
Effect of share options ('000)	561	561
Weighted average number of shares in issue ('000)	332,526	332,526
Diluted earnings per share (sen)	2.92	5.98

**13. Status of corporate proposals**

There were no corporate proposals announced as at 23 May 2015.

**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 28 May 2015.

By order of the Board

Woon Oi Ling (F) (MAICSA 7032288)  
Company Secretary  
28 May 2015