



**WELLCALL HOLDINGS BERHAD**  
**PRESS RELEASE**  
**FOR IMMEDIATE RELEASE**

**WELLCALL's 9M FY2015 Net Profit Surged 31% To RM28.4 Million**

- 3Q FY2015 net profit rose 15% to RM8.5 million
- Declared 3<sup>rd</sup> interim single tier dividend of 2.3sen per share, or total of 6.9sen single tier dividend per share for 9M FY2015
- Commissioning of third plant to boost production capacity and enhance operational efficiencies

**Lahat Ipoh, 28 August 2015:** Wellcall Holdings Berhad ('Wellcall' or 'the Company') today announced unaudited results for the third quarter of its financial year ending 30<sup>th</sup> September 2015.

In the third quarter under review, the Company achieved revenue of RM37.9 million compared to RM39.7 million in the corresponding quarter of FY2014. Profit before tax rose 16% year-on-year ('y-o-y') to RM11.2 million in the period, whilst net profit was 15% higher at RM8.5 million.

For the nine months of FY2015, Wellcall reported revenue of RM119.8 million, delivering 10% y-o-y growth. Profit before tax in the nine-month period surged 32% to RM37.1 million, and whilst net profit jumped 31% to RM28.4 million.

The Board of Directors has also declared a third interim single-tier dividend of 2.3 sen per share, which adds up to a total single-tier dividend of 6.9 sen per share for the 9-month period in FY2015. Wellcall declared and paid total single tier dividend of 8.3 sen per share in FY2014, which translated to a dividend payout ratio of 93.5%.



The Company's operating cash flows remain strong, and balance sheet healthy with a net cash position of RM25.4 million as at 30<sup>th</sup> June 2015.

Huang Sha, Managing Director of Wellcall, commented, "We are satisfied with the Company's financial performance. The stronger results were attributable to steady global demand growth for our industrial hoses, with exports driving 89% of our reported 9-month revenue. Key regions including US/Canada, Asia, Middle East and Europe accounted for 76% of export revenue in that period. Operations also benefited from improved production efficiencies, as well as from the stronger US dollar given the substantial export sales."

Huang added, "We are also truly honoured with the recognition bestowed on Wellcall as the "Largest Exporter of Dry Rubber Products" by the Malaysian Rubber Export Promotion Council ('MREPC'). This is yet another milestone for Wellcall in our growing success in contributing to Malaysia's rubber product exporting markets in recent years."

The award ceremony was held in Kuala Lumpur on 26 August 2015, and was based on Wellcall's export performance from 2012 to 2014.

### **Commissioning of New Plant**

"We are also pleased to inform that Wellcall's third production plant has been successfully commissioned. The plant will be utilised both for compound mixing of raw materials, as well as expansion of our production lines. This is indeed an important milestone for the company."

"With the new plant coming onstream, we now have a stronger platform to execute our strategy and sustain our longer term growth for Wellcall as a significant manufacturer of industrial hoses," he added.



Wellcall's new plant includes 7 new Mandrel hose production lines and 1 new Spiral hose production line. These are expected to raise monthly production capacity of Mandrel hoses in terms of linear metre per shift ('LMS') from currently 185,000 LMS to 279,000 LMS of Mandrel/Spiral hoses. Two Banbury compounding machines have also been installed into the new plant for compound mixing of raw materials. These machines will allow Wellcall to bring back compounding works which are currently outsourced, and in doing so, enable better control over quality of materials and cost savings.

There is still room for further expansion in the new plant, which Wellcall is only expected to plan for in the near future. Near term, the Company will continue to extend its reach to existing and new markets to drive growth. There will also be greater emphasis on R&D to innovate new products and enhance product quality to strengthen its offerings in its already diverse application markets.

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**About Wellcall Holdings Berhad**

Incorporated in 1996, Wellcall Holdings Berhad ("Wellcall" or "the Company") is the largest manufacturer of low and medium pressure industrial rubber hoses in Malaysia. The Company is engaged in the business of manufacturing mandrel and extrusion rubber hoses, catering to various application markets such as air & water, oil & gas, welding, automobile, ship building and food & beverages. Wellcall exports 90% of its products, covering more than 70 countries in Europe, the United States, Canada, Asia, Middle East, South America, Australia, New Zealand and Africa.



With the commissioning of the new plant, Wellcall currently operates at three (3) plants located in Ipoh, Perak. The first plant is used for the production of Extrusion hoses, with total monthly capacity averaging 1.8 million LMS. The second plant is used for the production of Mandrel hoses, with total monthly capacity averaging 185,000 LMS. The third plant, which commenced its final stage of trial run in August 2015, targeting an initial monthly capacity of 94,000 LMS in Mandrel / Spiral hoses.

Wellcall is led by an experienced management team with over 35 years of industry knowledge. Its operations are accredited by independent third party organisations for product quality assurance and recognitions such as SGS, Lloyd's Register, Flinders Cook, SIRIM QAS International, and Malaysia Rubber Board - testament to the quality and reliability of Wellcall's product range.

*Issued on behalf of Wellcall Holdings Berhad by NRA Access Sdn Bhd.*