



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

**WELLCALL Declared 2<sup>nd</sup> Interim Dividend Of 2.3sen Per Share In 2Q FY16**

- Delivered 2Q FY16 net profit of RM6.9 million on the back of RM32.6 million in revenue
- Gross profit margin expanded to 40.1% in 2Q FY16 from continuing success in achieving operational efficiencies
- New plant provides a stronger platform to benefit from higher demand when global economy recovers

**Lahat Ipoh, 26 May 2016:** Industrial rubber hose producer, Wellcall Holdings Berhad ('Wellcall' or 'the Company') today announced its unaudited financial results for the second quarter of its financial year ending 30<sup>th</sup> September 2016 ('FY16').

In the second quarter under review, the Company posted profit before tax of RM9.0 million, on the back of revenue of RM32.6 million. Profit after tax was lower at RM6.9 million, as compared to RM9.7 million recorded in the same quarter of last financial year.

The weaker financial performance in the quarter was mainly attributed to the slower than expected recovery in industrial hoses demand amid a more subdued global economy. Higher administrative expenses and depreciation cost arising from the commissioning of its new plant also contributed to the lower profitability.

Nonetheless, gross profit margin expanded to 40.1% in 2Q FY16 from 37.4% achieved in 2Q FY15, mainly due to continuing success in improving production efficiencies as well as soft raw material prices.

The Board of Directors declared a second interim single-tier dividend of 2.3 sen per share for the quarter under review. Coupled with the first interim single-tier dividend of 2.3 sen per share paid in March 2016, total single tiered dividends declared in 1H FY16 amounted to 4.6 sen per share.

Wellcall's balance sheet remains strong, with total cash and cash equivalent of RM37.8 million as at 31 March 2016, with a net cash position of RM17.6 million.



Huang Sha, Managing Director of Wellcall, commented, “Our financial performance for the quarter is satisfactory, affected by slower external demand for our industrial rubber products amid a weaker global economy. Nonetheless, we are pleased that we have been successful in continuing with our efforts to improve our operational efficiencies, which have translated to better gross profit margins.”

More than 90% of our products are exported to global markets. With the added capacity from the commissioning of our third plant late last year, we believe we have built ourselves a stronger growth platform to capture a recovery in external demand when momentum in global economy picks up. Our strategy remains to further enhance our competitive strengths for us to improve on our service and product quality, as well as successfully introduce new product range and widen our global market reach to deliver longer term growth,” Huang added.

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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.

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 BCT Asia Associates Sdn. Bhd.*