

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3-Months Ended		12-Months Ended	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Revenue	32,303	38,267	134,470	158,112
Cost of sales	(20,060)	(23,300)	(83,026)	(101,739)
Gross profit	12,243	14,967	51,444	56,373
Other operating income	1,952	2,050	2,895	5,626
Selling and distribution expenses	(1,020)	(874)	(3,924)	(4,167)
Administrative expenses	(4,145)	(4,728)	(10,457)	(9,645)
Profit from operations	9,030	11,415	39,958	48,187
Finance cost	(144)	(191)	(977)	(482)
Interest income	239	235	789	828
Profit before taxation	9,125	11,459	39,770	48,533
Tax expense	(1,287)	1,490	(8,687)	(7,208)
Profit for the period	7,838	12,949	31,083	41,325
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	7,838	12,949	31,083	41,325
Attributable to:				
Equity holders of the Company	7,838	12,949	31,083	41,325
Earnings per share (sen):				
Basic	2.36	3.90	9.36	12.45
Diluted	2.36	3.89	9.35	12.43
Single Tier dividend per share (sen)	2.30	2.30	9.20	9.20

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2015 and the accompanying notes to the Interim Financial Report.

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2016**

(The figures have not been audited)

	As At	Audited
	30 Sep 2016	30 Sep 2015
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,469	63,296
Other investment	10	10
	<u>64,479</u>	<u>63,306</u>
Current assets		
Inventories	16,798	20,016
Trade receivables	7,185	7,464
Other receivables, deposits and prepayment	462	5,644
Tax recoverable	8,316	6,406
Deposits with licensed banks	18,410	23,003
Cash and bank balances	18,418	13,480
	<u>69,589</u>	<u>76,013</u>
TOTAL ASSETS	<u>134,068</u>	<u>139,319</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	66,393	66,393
Share premium	2,443	2,443
Option reserve	-	126
Retained profits	28,846	28,178
TOTAL EQUITY	<u>97,682</u>	<u>97,140</u>
Non-current liabilities		
Borrowings	10,297	9,650
Deferred taxation	4,559	4,278
	<u>14,856</u>	<u>13,928</u>
Current liabilities		
Trade payables	4,967	5,387
Other payables and accruals	8,601	14,902
Borrowings	7,962	7,962
	<u>21,530</u>	<u>28,251</u>
TOTAL LIABILITIES	<u>36,386</u>	<u>42,179</u>
TOTAL EQUITY AND LIABILITIES	<u>134,068</u>	<u>139,319</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.294</u>	<u>0.293</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2015 and the accompanying notes to the Interim Financial Report.

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	← Non-Distributable →			Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Retained Profits RM'000	
As at 1 October 2015	66,393	2,443	126	28,178	97,140
Share options lapsed	-	-	(126)	126	-
Total comprehensive income for the period	-	-	-	31,083	31,083
Dividend	-	-	-	(30,541)	(30,541)
As at 30 September 2016	66,393	2,443	-	28,846	97,682
As at 1 October 2014	66,393	2,443	126	17,394	86,356
Total comprehensive income for the period	-	-	-	41,325	41,325
Dividend	-	-	-	(30,541)	(30,541)
As at 30 September 2015	66,393	2,443	126	28,178	97,140

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2015 and the accompanying notes to the Interim Financial Report.

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	12-Months Ended	
	30 Sep 2016	30 Sep 2015
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	39,770	48,533
Adjustments for:		
Depreciation of property, plant and equipment	6,259	4,339
Unrealized (gain)/loss on foreign exchange	62	85
(Gain)/Loss on disposal of property, plant and equipment	(27)	37
Dividend income	(1)	(1)
Interest expense	977	482
Interest income	(789)	(828)
Operating profit before working capital changes	46,251	52,647
Net change in inventories	3,218	(1,372)
Net change in receivables	5,461	1,834
Net change in payables	(6,721)	5,682
Cash generated from operations	48,209	58,791
Tax refund	4	5
Tax paid	(10,320)	(15,244)
Interest paid	(977)	(482)
Interest received	789	828
Net cash generated from operating activities	37,705	43,898
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	27	420
Dividend income	1	1
Purchase of property, plant and equipment	(7,432)	(35,383)
Net cash used in investing activities	(7,404)	(34,962)
Cash Flows from Financing Activities		
Dividend paid	(30,541)	(30,541)
Proceeds from drawdown of term loans	4,206	17,533
Repayment of term loans	(3,559)	(500)
Net cash used in financing activities	(29,894)	(13,508)
Net Increase/(Decrease) in Cash and Cash Equivalents	407	(4,572)
Effect of Exchange Rate Changes	(62)	414
Cash and Cash Equivalents at beginning of the year	36,483	40,641
Cash and Cash Equivalents at end of the year	36,828	36,483

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2015 and the accompanying notes to the Interim Financial Report.

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT

A. Explanatory Notes Pursuant to MFRS 134

A1. Basis of Preparation

The Interim Financial Report is unaudited and has been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB").

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2015. These explanatory notes attached 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 2015.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2015 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.

A2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 30 September 2015 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A4. Unusual Items

There were no material items of an unusual nature and amount affecting the results of current quarter and cumulative period-to-date.

A5. Changes in Estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

A6. Changes in Debt and Equity Securities

Please refer to Part B Note B7.

A7. Dividend Paid

A third interim single tier dividend of 2.30 sen on 331,965,037 ordinary shares of RM0.20 each in respect of the financial year ending 30 September 2016 amounting to approximately RM7,635,196 was paid on 28 September 2016.

A8. Segmental Information

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

Geographical Segments	12-Months Ended	
	30 Sep 2016	30 Sep 2015
<u>Revenue</u>	RM'000	RM'000
<i>Export Market</i>		
USA/Canada	20,946	32,049
Asia	27,285	34,316
Middle East	20,761	21,833
Europe	22,351	22,718
Australia/New Zealand	15,365	17,742
South America	11,761	11,135
Africa	3,226	4,185
	<u>121,695</u>	<u>143,978</u>
<i>Local Market</i>	<u>12,775</u>	<u>14,134</u>
	<u>134,470</u>	<u>158,112</u>
<u>Results</u>		
<i>Export Market</i>	35,992	44,195
<i>Local Market</i>	<u>3,778</u>	<u>4,338</u>
Profit before taxation	<u>39,770</u>	<u>48,533</u>

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

A. Explanatory Notes Pursuant to MFRS 134 (Continued)

A9. Valuation of Property, Plant and Equipment

There were no valuation of 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.

A10. Material Events Subsequent to the End of the Quarter

There were no material events between the end of the current quarter under review and the date of this report, which is likely and substantially affecting the results of current quarter and cumulative period-to-date, except as disclosed in Part B Note B10.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter except as disclosed below.

On 7 November 2016, the Company has disposed a wholly-owned subsidiary, Wellcall Technology Sdn. Bhd. ("WTSB"). WTSB has an authorized share capital of RM400,000 comprising of 400,000 ordinary shares of RM1.00 each and a paid up capital of RM100 comprising of 100 ordinary shares of RM1.00 each.

The Company disposed WTSB for a total sale consideration of RM100 comprising of 100 ordinary shares of RM1.00 each. The disposal did not result in any gain nor loss to the Group. The disposal is part of the Group's intention to dispose of its dormant and non-operating subsidiary.

The disposal was completed on 21 November 2016.

A12. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual reporting date.

A13. Capital Commitment

There were no material capital commitments approved and contracted for capital expenditures as at the date of this report.

A14. Cash and Cash Equivalents

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprises of the following amounts:

	12-Months Ended	
	30 Sep 2016	30 Sep 2015
	RM'000	RM'000
Deposit with licensed banks	18,410	23,003
Cash and bank balances	18,418	13,480
	<u>36,828</u>	<u>36,483</u>
Deposit with licensed banks:		
(a) Islamic	16,460	18,003
(b) Non-Islamic	1,950	5,000
	<u>18,410</u>	<u>23,003</u>
Total cash (excluding Islamic instrument) ("A")	20,368	18,480
Total assets ("B")	134,068	139,319
A/B (%)	15%	13%

WELLCALL HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**B. Additional Information Required by the Bursa Malaysia Securities Berhad Listing Requirements****B1.1. Analysis of Current Quarter Performance**

	3-Months Ended		Variance	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	RM'000	%
Revenue				
(a) Export	29,322	37,299	(7,977)	-21%
(b) Local	2,981	968	2,013	208%
	<u>32,303</u>	<u>38,267</u>	(5,964)	-16%
Profit before taxation	<u>9,125</u>	<u>11,459</u>	(2,334)	-20%

For the current quarter ended 30 September 2016, the Group recorded revenue of RM32.303 million, representing a decrease of RM5.964 million or approximately 16% on a quarter to quarter basis. The export markets and local market contributed approximately 91% and 9% respectively to the Group's revenue. The decrease in export market by approximately RM7.977 million was cushioned by an increase in local market by approximately RM2.013 million. The decrease in overall revenue was mainly attributable to continuous softening of global demand for industrial rubber hose market.

The Group recorded a profit before taxation ("PBT") of RM9.125 million for the current quarter ended 30 September 2016 compared to PBT of RM11.459 million recorded in the corresponding quarter ended 30 September 2015, representing a decrease of RM2.334 million or 20%. This was mainly resulted from lower revenue for the quarter under review.

B1.2. Analysis of Cumulative Quarter Performance (Year-to-Date)

	12-Months Ended		Variance	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	RM'000	%
Revenue				
(a) Export	121,695	143,978	(22,283)	-15%
(b) Local	12,775	14,134	(1,359)	-10%
	<u>134,470</u>	<u>158,112</u>	(23,642)	-15%
Profit before taxation	<u>39,770</u>	<u>48,533</u>	(8,763)	-18%

The Group recorded revenue of RM134.470 million, representing a decrease of RM23.642 million or approximately 15% from RM158.112 million for the current financial year ended 30 September 2016. The export market contributed approximately 91% to the Group's revenue. The export market registered a decline of 15% while local market a decrease of 10% compared to the corresponding period of the preceding financial year. The overall decline in revenue was mainly attributable to the softening of demand resulted from slower recovery of global demand for industrial rubber hose.

The Group recorded a profit before taxation ("PBT") of RM39.770 million for the current financial year ended 30 September 2016 compared to PBT of RM48.533 million recorded in last financial year ended 30 September 2015, representing a decrease of RM8.763 million or 18%. Higher PBT in last financial year mainly arising from realized gain on foreign exchange currency amounting to RM5.574 million. Higher profit after tax in last financial year which mainly arose from tax incentives of RM5.140 million.

B2. Comparison with Previous Quarter Results

	Current	Preceding	Variance	
	Quarter	Quarter		
	3-Months Ended		RM'000	%
	30 Sep 2016 RM'000	30 Jun 2016 RM'000		
Revenue	32,303	35,799	(3,496)	-10%
Profit before taxation	9,125	10,305	(1,180)	-11%

The Group recorded a lower profit before taxation of RM9.125 million for the current quarter ended 30 September 2016 compared to RM10.305 million recorded in the preceding quarter ended 30 June 2016 mainly due to decrease in revenue compensated with lower operating costs.

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**B. Additional Information Required by the Bursa Malaysia Securities Berhad Listing Requirements (Continued)****B3. Prospect**

Demand for industrial rubber hoses will continue to see a gradual recovery from both 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 higher levels due to supply and demand mechanism of raw materials and foreign exchange volatility.

Meanwhile, the additional capacity from Plant 3 supports the Group in further strengthening its position in the market with a wider range of industrial hose. However, the outlook of the global economy remains challenging and uncertain. Nevertheless, the Group strategies are to focus on leveraging on its extensive customer network, improved productivity, quality services and product range to enhance its competitive edge.

Barring any unforeseen circumstances, the Board believes that the Group's prospects for the coming financial year ending 30 September 2017 remains positive with challenges ahead.

B4. Board of Directors Statement on Internal Targets

The Group did not announce or disclose any profit estimates, forecast, projections or internal management targets in any public document.

B5. Profit Forecast and Profit Guarantee

The Group did not announce or disclose any profits forecast or profit guarantee in a public document.

B6. Tax Expense

	Individual Quarter		Cumulative Quarter	
	3-Months Ended		12-Months Ended	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Income tax	1,181	(3,128)	8,406	5,704
Deferred tax	106	1,638	281	1,504
	<u>1,287</u>	<u>(1,490)</u>	<u>8,687</u>	<u>7,208</u>

The deferred tax liabilities arose from accelerated capital allowances over depreciation plant and machineries.

B7. Group Borrowings

The details of the Group's borrowings were as follows:-

	As at	As at
	30 Sep 2016	30 Sep 2015
	RM'000	RM'000
Islamic Term Loan (Secured)		
(a) Short term	7,962	7,962
(b) Long term	10,297	9,650
	<u>18,259</u>	<u>17,612</u>

B8. Profit Before Taxation

	Individual Quarter		Cumulative Quarter	
	3-Months Ended		12-Months Ended	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Depreciation of property, plant and equipment	1,592	1,409	6,259	4,339
(b) Unrealized (gain)/loss on foreign exchange	888	(224)	62	85
(c) Interest expense	357	125	977	482
(d) (Gain)/Loss on disposal of property, plant and equipment	-	-	(27)	37
(e) Dividend income	1	1	1	1

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

WELLCALL HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**B. Additional Information Required by the Bursa Malaysia Securities Berhad Listing Requirements (Continued)****B9. Disclosure of Realized and Unrealized Profits**

The breakdown of retained profits of the Group as at 30 September 2016 into realized or unrealized profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	<u>As at</u> 30 Sep 2016 RM'000	<u>As at</u> 30 Sep 2015 RM'000
Total realized retained profits of the Group		
(a) Realized	59,394	58,592
(b) Unrealized		
- in respect of deferred taxation recognized in income statement	(4,559)	(4,278)
- in respect of foreign exchange translation	62	(85)
	<u>(4,497)</u>	<u>(4,363)</u>
	54,897	54,229
Less: Consolidation adjustments	(26,051)	(26,051)
Total Group retained profits as per consolidated accounts	<u>28,846</u>	<u>28,178</u>

B10. Dividends

The Board of Directors have recommended a special interim single tier dividend of 2.30 sen per share amounting to approximately RM7,635,196 in respect of financial year ending 30 September 2016. The entitlement date and payment date for the said dividends shall be on 13 December 2016 and 23 December 2016 respectively. During the previous corresponding period, the Company declared a special interim single tier dividend of 2.30 sen per share for the financial year ended 30 September 2015 amounting to RM7,635,196.

The total dividend payable by the Company in respect of the financial year ending 30 September 2016 is 2.30 sen per share represented by a total amount of approximately RM7,635,196.

Records of Dividends

<u>Financial Year</u>	<u>Dividend</u> <u>Per Share</u>	<u>Total</u> <u>Dividend</u>	<u>Status</u>
	Sen	RM	
2016	2.30	7,635,196	Payable
2016	6.90	22,905,588	Paid
	<u>9.20</u>	<u>30,540,784</u>	
2015 *	9.20	30,540,785	Paid
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
		<u>200,656,966</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 bonus issue of 42,646,005 new ordinary shares of RM0.50 each in the Company ("Shares") ("Bonus Share") on basis of 1 Bonus Share for every 2 existing Shares held in the Company, which was completed on 22 February 2008.

B11. Material Litigation

Neither the Company nor its subsidiary companies were 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 companies 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 companies.

WELLCALL HOLDINGS BERHAD

(Company No.: 707346-W)

Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**B. Additional Information Required by the Bursa Malaysia Securities Berhad Listing Requirements (Continued)****B12. 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:

	Individual Quarter		Cumulative Quarter	
	3-Months Ended		12-Months Ended	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	7,838	12,949	31,083	41,325
Issued ordinary shares at the beginning of period ('000)	331,965	331,965	331,965	331,965
Effect of shares issued during the period ('000)	-	-	-	-
Weighted average number of shares in issue ('000)	<u>331,965</u>	<u>331,965</u>	<u>331,965</u>	<u>331,965</u>
Basic earnings per share (sen)	<u>2.36</u>	<u>3.90</u>	<u>9.36</u>	<u>12.45</u>

(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 in 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:

	Individual Quarter		Cumulative Quarter	
	3-Months Ended		12-Months Ended	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	7,838	12,949	31,083	41,325
Issued ordinary shares at the beginning of period ('000)	331,965	331,965	331,965	331,965
Effect of shares issued during the period ('000)	-	-	-	-
Effect of share options ('000)	561	561	561	561
Weighted average number of shares in issue ('000)	<u>332,526</u>	<u>332,526</u>	<u>332,526</u>	<u>332,526</u>
Diluted earnings per share (sen)	<u>2.36</u>	<u>3.89</u>	<u>9.35</u>	<u>12.43</u>

B13. Status of Corporate Proposal

There were no corporate proposals announced as at the date of this report.

B14. Authorization for Issue

The unaudited interim financial statements were authorized for issue by the Board of Directors in accordance with a Resolution of the Directors dated 25 November 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (f) (MAICSA 7018590)

Company Secretary

25 November 2016