

**WELLCALL HOLDINGS BERHAD**

Registration No.: 200501025213 (707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		3-Months Ended	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>35,521</b>	<b>39,380</b>	<b>35,521</b>	<b>39,380</b>
Cost of sales		(20,818)	(24,668)	(20,818)	(24,668)
<b>Gross profit</b>		<b>14,703</b>	<b>14,712</b>	<b>14,703</b>	<b>14,712</b>
Selling & distribution costs		(960)	(946)	(960)	(946)
Administrative expenses		(2,743)	(2,798)	(2,743)	(2,798)
Other operating (expenses)/income		(138)	360	(138)	360
<b>Profit from operations</b>		<b>10,862</b>	<b>11,328</b>	<b>10,862</b>	<b>11,328</b>
Finance costs		(44)	(69)	(44)	(69)
Interest income		125	357	125	357
Share of loss of equity accounted associate, net of tax		(124)	(27)	(124)	(27)
<b>Profit before taxation</b>		<b>10,819</b>	<b>11,589</b>	<b>10,819</b>	<b>11,589</b>
Tax expense		(2,589)	(2,468)	(2,589)	(2,468)
<b>Profit for the period</b>		<b>8,230</b>	<b>9,121</b>	<b>8,230</b>	<b>9,121</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>8,230</b>	<b>9,121</b>	<b>8,230</b>	<b>9,121</b>
<b>Attributable to:</b>					
Equity holders of the Company		8,230	9,121	8,230	9,121
<b>Earnings per share (sen):</b>					
Basic	<b>B11(a)</b>	1.65	1.83	1.65	1.83
Diluted	<b>B11(b)</b>	N/A	N/A	N/A	N/A
<b>Single tier dividend per share (sen)</b>	<b>B9</b>	1.40	1.45	1.40	1.45

N/A - Not Applicable

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 2020 and the accompanying notes to the Interim Financial Report.

**WELLCALL HOLDINGS BERHAD**

Registration No.: 200501025213 (707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

(The figures have not been audited)

	As At	Audited As At
	31 Dec 2020	30 Sep 2020
Note	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,514	56,894
Investment property	3,460	3,485
Capital work-in-progress	642	335
Investment in associate	4,010	4,134
Other investment	10	10
	<u>63,636</u>	<u>64,858</u>
<b>Current assets</b>		
Inventories	15,881	13,793
Trade receivables	4,647	5,577
Other receivables, deposits & prepayments	469	81
Tax recoverable	7	6
Deposits with licensed banks	29,953	15,970
Cash and bank balances	27,571	40,109
	<u>78,528</u>	<u>75,536</u>
<b>TOTAL ASSETS</b>	<b><u>142,164</u></b>	<b><u>140,394</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	68,836	68,836
Retained profits	53,287	52,028
<b>TOTAL EQUITY</b>	<b><u>122,123</u></b>	<b><u>120,864</u></b>
<b>Non-current liability</b>		
Deferred taxation	4,845	5,174
<b>Current liabilities</b>		
Trade payables	4,375	5,326
Other payables & accruals	8,314	7,729
Tax payable	2,507	1,301
	<u>15,196</u>	<u>14,356</u>
<b>TOTAL LIABILITIES</b>	<b><u>20,041</u></b>	<b><u>19,530</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>142,164</u></b>	<b><u>140,394</u></b>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.245</u>	<u>0.243</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying notes to the Interim Financial Report.

**WELLCALL HOLDINGS BERHAD**

Registration No.: 200501025213 (707346-W)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	<u>Non-Distributable</u> <u>Share</u> <u>Capital</u> <u>RM'000</u>	<u>Distributable</u> <u>Retained</u> <u>Profits</u> <u>RM'000</u>	<u>Total</u> <u>Equity</u> <u>RM'000</u>
<b>At 1 October 2020</b>	68,836	52,028	120,864
Total comprehensive income for the period	-	8,230	8,230
Dividends	-	(6,971)	(6,971)
<b>At 31 December 2020</b>	<b>68,836</b>	<b>53,287</b>	<b>122,123</b>
<b>At 1 October 2019</b>	68,836	47,563	116,399
Total comprehensive income for the period	-	29,363	29,363
Dividends	-	(24,898)	(24,898)
<b>At 30 September 2020</b>	<b>68,836</b>	<b>52,028</b>	<b>120,864</b>

**Note 1:**

With the Companies Act 2016 ("CA 2016") that had taken effect on 31 January 2017, the credit standing in the share premium account of RM2.443 million had been transferred to the share capital account. Pursuant to sub-section 618(3) and 618(4) of the CA 2016, the Group may exercise its right to use the credit amounts being transferred from share premium account within twenty four (24) months after the commencement of the CA 2016. The Board of Directors had approved to transfer the share premium account of RM2.443 million to the share capital account.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying notes to the Interim Financial Report.

**WELLCALL HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020**

(The figures have not been audited)

	3-Months Ended	
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	10,819	11,589
Adjustments for:		
Depreciation of investment property	25	-
Depreciation of property, plant and equipment	1,391	1,385
Unrealised loss/(gain) on foreign exchange	435	(238)
Loss on disposal of property, plant and equipment	-	(72)
Interest income	(125)	(357)
Share of loss of equity accounted associates, net of tax	124	27
Operating profit before working capital changes	12,669	12,334
Net change in inventories	(2,088)	1,116
Net change in receivables	575	1,551
Net change in payables	(73)	(2,411)
Cash generated from operations	11,083	12,590
Tax paid	(2,013)	(1,817)
Interest received	125	357
Net cash generated from operating activities	9,195	11,130
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	72
Investment In Associate Company	-	(4,402)
Capital work-in-progress	(307)	-
Purchase of property, plant and equipment	(11)	(619)
Net cash used in investing activities	(318)	(4,949)
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(6,971)	(7,220)
Net cash used in financing activities	(6,971)	(7,220)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,906</b>	<b>(1,039)</b>
Effect of Exchange Rate Changes	(461)	238
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>56,079</b>	<b>52,822</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>57,524</b>	<b>52,021</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2020 and the accompanying notes to the Interim Financial Report.

**WELLCALL HOLDINGS BERHAD**

Registration No.: 200501025213 (707346-W)

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**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 2020. 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 2020.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2020 except for the adoption of the following new, revised MFRSs, amendments to MFRS and Issues Committee ("IC") Interpretations:

MFRS, Interpretations and Amendment to MFRSs effective for annual periods beginning on or after 1 January 2019

- a) MFRS 16 Leases
- b) Amendments to MFRS 128 Long-term interests in Association and Joint Venture
- c) Amendments to MFRS 9 Prepayment Features with Negative Compensation
- d) Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement
- e) Amendments to MFRS 112 Income Taxes (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)
- f) Amendments to MFRS 123: Borrowing Costs (Annual Improvements to MFRS Standards 2015 -2017 Cycle)

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 2020 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 fourth single tier dividend of 1.40 sen per share on 497,947,555 ordinary shares in respect of the financial year ended 30 September 2020 amounting to approximately RM6,971,266 was paid on 23 December 2020.

**A8. Segmental Information**

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

Geographical Segments	3-Months Ended	
	31 Dec 2020	31 Dec 2019
Revenue	RM'000	RM'000
<b>Export Market</b>		
USA/Canada	7,185	10,683
Asia	7,436	7,079
Middle East	3,137	4,115
Europe	6,083	6,248
Australia/New Zealand	4,507	3,511
South America	3,075	2,827
Africa	576	1,160
	31,999	35,623
<b>Local Market</b>	3,522	3,757
	35,521	39,380
<b>Results</b>		
Export Market	9,746	10,483
Local Market	1,073	1,106
Profit before taxation	10,819	11,589

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**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 B9.

**A11. Changes in Composition of the Group**

There were no significant changes in the composition of the Group during the current quarter under review.

**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:

	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposit with licensed banks	16,400	25,150
Cash and bank balances	41,124	26,871
	<b>57,524</b>	<b>52,021</b>
Deposit with licensed banks:		
(a) Islamic	15,400	24,150
(b) Non-Islamic	1,000	1,000
	<b>16,400</b>	<b>25,150</b>
Total cash (excluding Islamic instrument) ("A")	42,124	27,871
Total assets ("B")	142,164	138,293
A/B (%)	30%	20%

**A15. Related Party Transactions**

Related party transactions with Global Rubber Industry (M) Sdn. Bhd. as follows:

	<b>3-Months Ended</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Sub-contract services for topping of nylon cord on hoses for Wellcall Hose (M) Sdn. Bhd.	70	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

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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**

	<b>3-Months Ended</b>		<b>Variance</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue				
(a) Export	31,999	35,623	(3,624)	-10%
(b) Local	3,522	3,757	(235)	-6%
	<u>35,521</u>	<u>39,380</u>	<u>(3,859)</u>	<u>-10%</u>
Profit before taxation ("PBT")	<u>10,819</u>	<u>11,589</u>	<u>(770)</u>	<u>-7%</u>

For the current quarter ended 31 December 2020, the Group recorded revenue of RM35.521 million, a decrease of 10% from RM39.380 million recorded in the corresponding quarter last year. The export market and local market contributed approximately 90% and 10% respectively to the Group's revenue. The decrease in revenue was due to the impact of Covid-19 pandemic which had disrupted the global economy.

In tandem with lower revenue, the Group posted lower PBT of RM10.819 million, a decrease of RM0.77 million or 7% from RM11.589 million of PBT recorded in the corresponding quarter last year.

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

There is no comparative figures for the preceding year's quarter and year-to-date available as this is the first interim financial report on the consolidated results for the first quarter ended 31 December 2020 announced by the Company in compliance with the Listing Requirements.

**B2. Comparison with Previous Quarter Results**

	<b>Current</b>	<b>Preceding</b>	<b>Variance</b>	
	<b>Quarter</b>	<b>Quarter</b>		
	<b>3-Months Ended</b>			
	<b>31 Dec 2020</b>	<b>30 Sep 2020</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	35,521	37,274	(1,753)	-5%
Profit before taxation ("PBT")	10,819	11,941	(1,122)	-9%

The Group has recorded a slight decrease in revenue to RM35.521 million for the current quarter ended 31 December 2020 as compared to RM37.274 million recorded in preceding quarter ended 30 September 2020, which was resulted from economic downturn due to the continuous outbreak of Covid-19 pandemic.

As a result of decrease in revenue, the Group recorded a lower PBT of RM10.819 million for the current quarter ended 31 December 2020 as compared to RM11.941 million recorded in the preceding quarter ended 30 September 2020.

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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**

The uncertainty of global economic environment affected by the Covid-19 pandemic continues to impact the supply and demand mechanism of raw materials and fluctuation of foreign exchange sentiment. In respond to the outbreak of Covid-19, the Malaysian government has implemented the unprecedented Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO"), Enhanced Movement Control Order ("EMCO") causing most businesses and social activities to respond swiftly in order to sustain and survive in fast changing environment. Nevertheless, the Group continues to strive through and being vibrant in responding to such challenging economic situation, including efforts to enhance safety of its employees, managing business risks, strengthening internal controls and among others, to ensure sustainability of the business during this period of time.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in the forthcoming financial year ending 30 September 2021 continues to remain positive and the Group is able to sustain its performance despite challenges ahead.

**B4. Board of Directors Statement on Internal Targets**

The Group did not announce or disclose any profit forecast, projection or internal management target in any public document.

**B5. Profit Forecast and Profit Guarantee**

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

**B6. Tax Expense**

	Individual Quarter 3-Months Ended		Cumulative Quarter 3-Months Ended	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Income tax	2,917	2,686	2,917	2,686
Deferred tax	(328)	(218)	(328)	(218)
	<u>2,589</u>	<u>2,468</u>	<u>2,589</u>	<u>2,468</u>

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

**B7. Group Borrowings**

There were no group borrowings in the current quarter under review.

**B8. Profit Before Taxation**

	Individual Quarter 3-Months Ended		Cumulative Quarter 3-Months Ended	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(125)	(357)	(125)	(357)
(b) Rental income	(55)	(1)	(55)	(1)
(c) Depreciation of investment property	25	-	25	-
(d) Depreciation of property, plant and equipment	1,391	1,385	1,391	1,385
(e) Unrealized loss/(gain) on foreign exchange	435	(238)	435	(238)
(f) Realized gain on foreign exchange	(161)	(6)	(161)	(6)
(g) Gain on disposal of property, plant and equipment	-	(72)	-	(72)

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.

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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. Dividends**

The Board of Directors have recommended a first single tier dividend of 1.40 sen per share amounting to approximately RM6,971,266 in respect of financial year ending 30 September 2021. The entitlement date and payment date for the said dividend shall be on 10 March 2021 and 26 March 2021 respectively.

During the previous corresponding period, the Company declared a first single tier dividend of 1.45 sen per share for the financial year ended 30 September 2020 amounting to RM7,220,242.

The total dividend payable by the Company in respect of the financial year ending 30 September 2021 is 1.40 sen per share represented by a total amount of approximately RM6,971,266.

**Records of Dividends**

<u>Financial Year</u>	<u>Dividend Per Share Sen</u>	<u>Total Dividend RM</u>	<u>Status</u>
2021 (1st single tier dividend)	1.40	6,971,266	Payable
Total dividend payable for the current financial year	<u>1.40</u>	<u>6,971,266</u>	
2020 *	4.95	24,648,404	Paid
2019 *	5.65	28,134,038	Paid
2018 *	5.45	27,138,145	Paid
2017 *	6.17	30,706,773	Paid
2016 *	6.13	30,540,785	Paid
2015 *	6.13	30,540,785	Paid
2014 *	5.53	27,541,099	Paid
2013 *	4.79	23,872,684	Paid
2012 *	4.26	21,203,464	Paid
2011 *	3.19	15,867,047	Paid
2010 *	2.91	14,500,860	Paid
2009 *	2.89	14,372,251	Paid
2008 *	2.24	11,162,210	Paid
2007 *	1.62	8,055,482	Paid
2006 *	0.60	3,000,300	Paid
Total dividend paid from financial year 2006 to 2020		<u>311,284,327</u>	

\* Adjusted to reflect the share split of every two (2) ordinary shares in WHB into three (3) ordinary shares in WHB held in WHB ("Subdivided Shares"). The subdivided shares was completed on 14 September 2017.

**B10. Material Litigation**

The Group was not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group 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 Group.

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**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)****B. Additional Information Required by the Bursa Malaysia Securities Berhad Listing Requirements (Continued)****B11. 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		3-Months Ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders	8,230	9,121	8,230	9,121
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	1.65	1.83	1.65	1.83

(b) There is no dilution of earnings per share during the quarter.

**B12. Corporate Proposal**

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

**B13. 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 22 February 2021.

**BY ORDER OF THE BOARD**

TEO SOON MEI (f)  
Company Secretary  
(SSM PC 201908000235)  
(MAICSA 7018590)

22 February 2021