

**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 2022**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		3-Months Ended	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>52,594</b>	<b>39,665</b>	<b>52,594</b>	<b>39,665</b>
Cost of sales		(34,828)	(26,525)	(34,828)	(26,525)
<b>Gross profit</b>		<b>17,766</b>	<b>13,140</b>	<b>17,766</b>	<b>13,140</b>
Selling & distribution costs		(1,293)	(1,492)	(1,293)	(1,492)
Administrative expenses		(3,264)	(2,841)	(3,264)	(2,841)
Other operating expenses		(1,741)	372	(1,741)	372
<b>Profit from operations</b>		<b>11,468</b>	<b>9,179</b>	<b>11,468</b>	<b>9,179</b>
Finance costs		(55)	(42)	(55)	(42)
Interest income		341	120	341	120
Share of loss of equity accounted associate, net of tax		-	(144)	-	(144)
<b>Profit before taxation</b>		<b>11,754</b>	<b>9,113</b>	<b>11,754</b>	<b>9,113</b>
Tax expense		(3,696)	(2,167)	(3,696)	(2,167)
<b>Profit for the period/Total comprehensive income for the period</b>		<b>8,058</b>	<b>6,946</b>	<b>8,058</b>	<b>6,946</b>
<b>Attributable to:</b>					
Equity holders of the Company		8,058	6,946	8,058	6,946
<b>Earnings per share (sen):</b>					
Basic	<b>B11(a)</b>	1.62	1.39	1.62	1.39
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	1.40	1.40	1.40

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 2022 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 FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

(The figures have not been audited)

	<u>As At</u>	<u>Audited</u>
	<u>31 Dec 2022</u>	<u>30 Sep 2022</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	46,155	47,327
Investment property	4,288	4,326
Other investment	10	10
	<u>50,453</u>	<u>51,663</u>
<b>Current assets</b>		
Inventories	24,820	29,058
Trade receivables	8,051	13,962
Other receivables, deposits & prepayments	694	1,938
Tax recoverable	13	13
Deposits with licensed banks	11,550	12,150
Cash and bank balances	49,014	50,622
	<u>94,142</u>	<u>107,743</u>
<b>TOTAL ASSETS</b>	<b><u>144,595</u></b>	<b><u>159,406</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	68,836	68,836
Retained profits	50,848	55,736
<b>TOTAL EQUITY</b>	<b><u>119,684</u></b>	<b><u>124,572</u></b>
<b>Non-current liability</b>		
Deferred taxation	4,864	4,613
	<u>4,864</u>	<u>4,613</u>
<b>Current liabilities</b>		
Trade payables	6,994	6,126
Other payables & accruals	9,746	21,672
Tax payable	3,307	2,423
	<u>20,047</u>	<u>30,221</u>
<b>TOTAL LIABILITIES</b>	<b><u>24,911</u></b>	<b><u>34,834</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>144,595</u></b>	<b><u>159,406</u></b>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.240</u>	<u>0.250</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2022 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022**

(The figures have not been audited)

	<u>Non-Distributable</u>	<u>Distributable</u>	
	<u>Share Capital RM'000</u>	<u>Retained Profits RM'000</u>	<u>Total Equity RM'000</u>
<b>At 1 October 2022</b>	68,836	55,736	124,572
Total comprehensive income for the period	-	8,058	8,058
Dividends	-	(12,947)	(12,947)
<b>At 31 December 2022</b>	<b><u>68,836</u></b>	<b><u>50,848</u></b>	<b><u>119,684</u></b>
<b>At 1 October 2021</b>	68,836	58,298	127,134
Total comprehensive income for the period	-	6,946	6,946
Dividends	-	(13,943)	(13,943)
<b>At 31 December 2021</b>	<b><u>68,836</u></b>	<b><u>51,301</u></b>	<b><u>120,137</u></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 2022 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 2022**

(The figures have not been audited)

	3-Months Ended	
	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	11,754	9,113
Adjustments for:		
Depreciation of investment property	38	37
Depreciation of property, plant and equipment	1,190	1,253
Unrealised (gain)/loss on foreign exchange	2,128	102
Gain on disposal of property, plant and equipment	-	(20)
Dividend income	-	(1)
Interest income	(341)	(120)
Share of loss of equity accounted associates, net of tax	-	144
Operating profit before working capital changes	14,769	10,508
Net change in inventories	4,238	(2,970)
Net change in receivables	7,153	1,232
Net change in payables	(11,057)	1,286
Cash generated from operations	15,103	10,056
Tax paid	(2,559)	(2,560)
Interest received	341	120
Net cash generated from operating activities	12,885	7,616
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	20
Dividend received	-	1
Purchase of property, plant and equipment	(18)	(156)
Net cash used in investing activities	(18)	(135)
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(12,947)	(13,943)
Net cash used in financing activities	(12,947)	(13,943)
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(80)</b>	<b>(6,462)</b>
Effect of Exchange Rate Changes	(2,128)	(102)
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>62,772</b>	<b>61,590</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>60,564</b>	<b>55,026</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2022 and the accompanying notes to the Interim Financial Report.

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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 2022. 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 2022.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2022 except for the adoption of the following new, revised MFRSs, amendments to MFRS and Issues Committee ("IC") Interpretations:

Standards and Amendments Issued But Not Yet Effective

- a) Amendments to MFRSs: Annual Improvements to MFRSs 2018 – 2020 Cycle
- b) Amendments to MFRS 3: Reference to the Conceptual Framework
- c) Amendments to MFRS 116: Proceeds before Intended Use
- d) Amendments to MFRS 137: Onerous Contract- Cost of Fulfilling a Contract
- e) MFRS 17 and amendments to MFRS 17: Insurance Contracts
- f) Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- g) Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- h) Amendments to MFRS 108: Definition of Accounting Estimates
- i) Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- j) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of above standards and 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 2022 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 1.60 sen per share and special interim dividend of 1.00 sen per share on 497,947,555 ordinary shares in respect of the financial year ended 30 September 2022 amounted to approximately RM7,967,161 and RM4,979,476 respectively was paid on 23 December 2022.

**A8. Segmental Information**

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

Geographical Segments	3-Months Ended	
	31 Dec 2022	31 Dec 2021
<u>Revenue</u>	RM'000	RM'000
<i>Export Market</i>		
USA/Canada	15,935	12,399
Asia	11,224	7,097
Middle East	2,603	1,697
Europe	4,502	5,679
Australia/New Zealand	8,168	5,481
South America	5,931	3,137
Africa	1,135	279
	49,498	35,769
<i>Local Market</i>	3,096	3,896
	52,594	39,665
<u>Results</u>		
<i>Export Market</i>	11,062	8,218
<i>Local Market</i>	692	895
Profit before taxation	11,754	9,113

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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 revaluation 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:

	<u>As at</u>	<u>As at</u>
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>RM'000</u>	<u>RM'000</u>
Deposit with licensed banks	11,550	9,650
Cash and bank balances	49,014	45,377
	<u>60,564</u>	<u>55,027</u>
Deposit with licensed banks:		
(a) Islamic	11,550	8,650
(b) Non-Islamic	-	1,000
	<u>11,550</u>	<u>9,650</u>
Total cash (excluding Islamic instrument) ("A")	34,935	32,582
Total assets ("B")	144,595	141,864
A/B (%)	24%	23%

**A15. Related Party Transactions**

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

	<u>3-Months Ended</u>	
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>RM'000</u>	<u>RM'000</u>
Sub-contract services for topping of nylon cord on hoses for Wellcall Hose (M) Sdn. Bhd.	<u>1,063</u>	<u>716</u>

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 2022</b>	<b>31 Dec 2021</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue				
(a) Export	49,498	35,769	13,729	38%
(b) Local	3,096	3,896	(800)	-21%
	<u>52,594</u>	<u>39,665</u>	12,929	33%
Profit before taxation ("PBT")	<u>11,754</u>	<u>9,113</u>	2,641	29%

For the current quarter ended 31 December 2022, the Group recorded revenue of RM52.594 million, representing an increase of RM12.929 million or approximately 33% on a quarter to quarter basis. The export market and local market contributed approximately 94% and 6% respectively to the Group's revenue. The increase in revenue was mainly resulted from the continuation of the strengthening in global market demand for industrial rubber hose.

The Group achieved PBT of RM11.754 million for the current quarter ended 31 December 2022, representing an increase of 29% from RM9.113 million in the corresponding quarter mainly due to improvement in revenue.

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

There is no comparative figure for the cumulative quarter performance (year-to-date) as this is the first interim financial report on the consolidated results for the first quarter ended 31 December 2022 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 2022</b>	<b>30 Sep 2022</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	52,594	46,940	5,654	12%
Profit before taxation ("PBT")	11,754	10,708	1,046	10%

The Group recorded an increase in revenue to RM52.594 million for the current quarter ended 31 December 2022 as compared to RM46.940 million recorded in preceeding quarter last year, representing an increase of RM5.654 million or approximately 12% mainly due to the increasing momentum of global demand for industrial rubber hoses.

As a result of increased in revenue, the Group recorded a higher PBT of RM11.754 million for the current quarter ended 31 December 2022 as compared to RM10.708 million recorded in the preceeding quarter ended 30 September 2022, representing an increase of RM1.046 million or approximately 10%.

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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 Board is optimistic that the Group will remain resilient and able to sustain its market share and positioning despite the challenges ahead in the global economy. The Group will continue to manage its operating costs and market share by responding swiftly to the fluctuation of supply and demand chain mechanism especially the elasticity of pricing arising from the freight and raw material costs. Nevertheless, the Group is positive towards the high demand for low and medium pressure industrial rubber hose that enables the Group to sustain and widen its market base positioning.

Barring of unforeseen circumstances and the vibrancy of the global economy sentiment, the Board believes that the Group's future prospects in the financial year ending 30 September 2023 continues to remain positive especially with the continuation of gradual increase in the momentum of global demand for industrial rubber hoses.

**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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Income tax	3,445	2,403	3,445	2,403
Deferred tax	251	(236)	251	(236)
	<u>3,696</u>	<u>2,167</u>	<u>3,696</u>	<u>2,167</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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(341)	(120)	(341)	(120)
(b) Rental income	(66)	(60)	(66)	(60)
(c) Depreciation of investment property	38	37	38	37
(d) Depreciation of property, plant and equipment	1,190	1,253	1,190	1,253
(e) Unrealized (gain)/loss on foreign exchange	2,128	102	2,128	102
(f) Realized (gain)/loss on foreign exchange	(284)	(344)	(284)	(344)
(g) Gain on disposal of property, plant and equipment	-	(20)	-	(20)

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 2023. The entitlement date and payment date for the said dividend shall be on 17 March 2023 and 24 March 2023 respectively.

During the previous corresponding period, the Company declared a first single tier dividend of 1.40 sen per share for the financial year ended 30 September 2022 amounted to RM6,971,266.

The total dividend payable by the Company in respect of the financial year ending 30 September 2023 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>
2023 (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>	
2022 *	7.00	34,856,329	Paid
2021 *	7.00	34,856,330	Paid
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 2022		<u>380,996,986</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:

	Individual Quarter 3-Months Ended		Cumulative Quarter 3-Months Ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Profit attributable to equity holders	8,058	6,946	8,058	6,946
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	1.62	1.39	1.62	1.39

## (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 24 March 2023.

**BY ORDER OF THE BOARD**

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

24 March 2023