

WELLCALL HOLDINGS BERHAD

Registration No.: 200501025213 (707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINAL QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		12-Months Ended	
		30 Sep 2022 RM'000	30 Sep 2021 RM'000	30 Sep 2022 RM'000	30 Sep 2021 RM'000
Revenue		46,940	47,502	176,701	157,016
Cost of sales		(30,267)	(28,860)	(113,057)	(95,197)
Gross profit		16,673	18,642	63,644	61,819
Selling & distribution costs		(1,683)	(2,166)	(7,974)	(6,180)
Administrative expenses		(6,408)	(3,095)	(15,356)	(11,466)
Other operating income		1,957	662	4,822	2,200
Profit from operations		10,539	14,043	45,136	46,373
Finance costs		(39)	(39)	(168)	(186)
Interest income		336	145	573	534
Share of loss of equity accounted associate, net of tax		(128)	(253)	(574)	(663)
Profit before taxation		10,708	13,896	44,967	46,058
Tax expense		(3,146)	(3,851)	(11,753)	(11,903)
Profit for the period/Total comprehensive income for the period		7,562	10,045	33,214	34,155
Attributable to:					
Equity holders of the Company		7,562	10,045	33,214	34,155
Earnings per share (sen):					
Basic	B11(a)	1.52	2.02	6.67	6.86
Diluted	B11(b)	N/A	N/A	N/A	N/A
Single tier dividend per share (sen)	B9	2.60	2.80	7.00	7.00

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 2021 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 30 SEPTEMBER 2022**

(The figures have not been audited)

	As At	Audited
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,327	51,729
Investment property	4,326	4,418
Investment in associate	-	3,470
Other investment	10	10
	<u>51,663</u>	<u>59,627</u>
Current assets		
Inventories	29,204	20,142
Trade receivables	3,120	6,487
Other receivables, deposits & prepayments	731	109
Tax recoverable	13	12
Deposits with licensed banks	12,150	15,650
Cash and bank balances	50,622	45,940
	<u>95,840</u>	<u>88,340</u>
TOTAL ASSETS	<u>147,503</u>	<u>147,967</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	68,836	68,836
Retained profits	55,660	58,298
TOTAL EQUITY	<u>124,496</u>	<u>127,134</u>
Non-current liability		
Deferred taxation	4,613	4,954
	<u>4,613</u>	<u>4,954</u>
Current liabilities		
Trade payables	5,405	5,101
Other payables & accruals	11,193	9,228
Tax payable	1,796	1,550
	<u>18,394</u>	<u>15,879</u>
TOTAL LIABILITIES	<u>23,007</u>	<u>20,833</u>
TOTAL EQUITY AND LIABILITIES	<u>147,503</u>	<u>147,967</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.250</u>	<u>0.255</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2021 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINAL QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	<u>Non-Distributable Share Capital RM'000</u>	<u>Distributable Retained Profits RM'000</u>	<u>Total Equity RM'000</u>
At 1 October 2021	68,836	58,298	127,134
Total comprehensive income for the period	-	33,214	33,214
Dividends	-	(35,852)	(35,852)
At 30 September 2022	<u>68,836</u>	<u>55,660</u>	<u>124,496</u>
At 1 October 2020	68,836	52,028	120,864
Total comprehensive income for the period	-	34,155	34,155
Dividends	-	(27,885)	(27,885)
At 30 September 2021	<u>68,836</u>	<u>58,298</u>	<u>127,134</u>

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 2021 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINAL QUARTER ENDED 30 SEPTEMBER 2022**

(The figures have not been audited)

	12-Months Ended	
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	44,967	46,058
Adjustments for:		
Depreciation of investment property	149	106
Depreciation of property, plant and equipment	4,880	5,275
Unrealised gain on foreign exchange	(2,662)	(403)
Gain on disposal of property, plant and equipment	(26)	(3)
Dividend income	(6)	(1)
Property, plant and equipment written off	2	-
Interest income	(574)	(534)
Impairment on/Share of loss in associate company	3,470	663
Operating profit before working capital changes	50,200	51,161
Net change in inventories	(9,062)	(6,349)
Net change in receivables	2,744	(877)
Net change in payables	2,268	739
Cash generated from operations	46,150	44,674
Tax paid	(11,849)	(11,326)
Interest received	574	534
Net cash generated from operating activities	34,875	33,882
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	26	-
Dividend received	6	1
Capital work-in-progress	-	335
Purchase of investment property	(56)	(1,038)
Purchase of property, plant and equipment	(479)	(111)
Net cash used in investing activities	(503)	(813)
Cash Flows from Financing Activities		
Dividends paid	(35,852)	(27,885)
Net cash used in financing activities	(35,852)	(27,885)
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,480)	5,184
Effect of Exchange Rate Changes	2,662	327
Cash and Cash Equivalents at beginning of the year	61,590	56,079
Cash and Cash Equivalents at end of the period	62,772	61,590

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2021 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 2021. 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 2021.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2021 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 MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2
- b) Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30th June, 2021
- c) MFRS 1: Annual Improvements to MFRS Standards 2018 - 2020
- d) Amendments to MFRS 3 Business Combinations: Reference to the Conceptual
- e) MFRS 9: Annual Improvements to MFRS Standards 2018 -2020
- f) Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
- g) Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract
- h) Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current
- i) Amendments to MFRS 108: Definition of Accounting Estimates
- j) Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- k) MFRS 17 Insurance Contracts
- l) Amendments to MFRS 10: Consolidated Financial Statements 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 2021 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 single tier dividend of 1.60 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 was paid on 23 September 2022.

A8. Segmental Information

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

	12-Months Ended	
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Geographical Segments		
Revenue		
<i>Export Market</i>		
USA/Canada	48,309	37,297
Asia	33,147	33,323
Middle East	10,260	12,872
Europe	25,315	23,495
Australia/New Zealand	21,330	18,677
South America	15,867	15,233
Africa	5,525	3,910
	<u>159,752</u>	<u>144,807</u>
<i>Local Market</i>	16,949	12,209
	<u>176,701</u>	<u>157,016</u>
Results		
<i>Export Market</i>	40,654	42,477
<i>Local Market</i>	4,313	3,581
Profit before taxation	<u>44,967</u>	<u>46,058</u>

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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:

	As at	As at
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Deposit with licensed banks	12,150	15,650
Cash and bank balances	50,622	45,940
	62,772	61,590
Deposit with licensed banks:		
(a) Islamic	11,150	14,650
(b) Non-Islamic	1,000	1,000
	12,150	15,650
Total cash (excluding Islamic instrument) ("A")	37,643	33,204
Total assets ("B")	147,503	147,967
A/B (%)	26%	22%

A15. Related Party Transactions

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

	12-Months Ended	
	30 Sep 2022	30 Sep 2021
	RM'000	RM'000
Sub-contract services for topping of nylon cord on hoses for Wellcall Hose (M) Sdn. Bhd.	3,196	1,378

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**

	3-Months Ended		Variance	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000	RM'000	%
Revenue				
(a) Export	42,315	44,344	(2,029)	-5%
(b) Local	4,625	3,158	1,467	46%
	<u>46,940</u>	<u>47,502</u>	(562)	-1%
Profit before taxation ("PBT")	<u>10,708</u>	<u>13,896</u>	(3,188)	-23%

For the current quarter ended 30 September 2022, the Group recorded revenue of RM46.940 million, a slight decrease of RM0.562 million or approximately 1% on a quarter to quarter basis. The export market and local market contributed approximately 90% and 10% respectively to the Group's revenue. The slight decrease in revenue for the current quarter was mainly arising from rescheduling delivery of shipment from certain customers.

The Group achieved PBT of RM10.708 million for the current quarter ended 30 September 2022, representing a decrease of 23% from RM13.896 million in the corresponding quarter mainly arising from allowance for impairment loss of investment in an associate company complying with the accounting standards requirements.

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

	12-Months Ended		Variance	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000	RM'000	%
Revenue				
(a) Export	159,752	144,807	14,945	10%
(b) Local	16,949	12,209	4,740	39%
	<u>176,701</u>	<u>157,016</u>	19,685	13%
Profit before taxation ("PBT")	<u>44,967</u>	<u>46,058</u>	(1,091)	-2%

The Group recorded revenue of RM176.701 million, representing an increase of RM19.685 million or approximately 13% from RM157.016 million for the twelve (12) months period ended 30 September 2022. The export market contributed approximately 90% to the Group's revenue. The increased in export market of 10% and local market by 39% as compared to the corresponding period of the preceeding financial year was mainly due to continuous recovery of global and local economy sentiment in the low and medium pressure industrial rubber hose market.

The Group recorded a PBT of RM44.967 million for the twelve (12) months period ended 30 September 2022 as compared to PBT of RM46.058 million recorded in corresponding period of the preceeding financial year, representing a slight decrease of RM1.091 million or 2% decrease. Lower PBT achieved in the twelve (12) months period mainly arising from allowance for impairment loss of investment in an associate company complying with the accounting standards requirements.

B2. Comparison with Previous Quarter Results

	Current Quarter	Preceeding Quarter	Variance	
	3-Months Ended		RM'000	%
	30 Sep 2022 RM'000	30 Jun 2022 RM'000		
Revenue	46,940	47,134	(194)	0%
Profit before taxation ("PBT")	10,708	13,862	(3,154)	-23%

The Group recorded a fairly consistent revenue of RM46.940 million for the current quarter ended 30 September 2022 as compared to RM47.134 million recorded in preceeding quarter.

The Group recorded a lower PBT of RM10.708 million for the current quarter ended 30 September 2022 as compared to RM13.862 million recorded in the preceeding quarter ended 30 June 2022, mainly arising from allowance for impairment loss of investment in an associate company complying with the accounting standards requirements.

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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, especially global economy impact arising from continuous lockdowns in China and risk of stagflation. 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 inherently with high 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 coming 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 12-Months Ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Income tax	3,374	3,849	12,094	12,123
Deferred tax	(228)	2	(341)	(220)
	<u>3,146</u>	<u>3,851</u>	<u>11,753</u>	<u>11,903</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 12-Months Ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(336)	(145)	(574)	(534)
(b) Rental income	(66)	(60)	(252)	(229)
(c) Depreciation of investment property	38	30	149	106
(d) Depreciation of property, plant and equipment	1,194	1,259	4,880	5,275
(e) Unrealized (gain)/loss on foreign exchange	(1,343)	(79)	(2,662)	(403)
(f) Realized gain on foreign exchange	(498)	(459)	(1,687)	(1,352)
(g) Gain on disposal of property, plant and equipment	-	(3)	(26)	(3)
(h) Allowance for impairment loss in an associate company	2,896	-	2,896	-

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 fourth single tier dividend of 1.60 sen per share amounting to approximately RM7,967,161 in respect of financial year ended 30 September 2022.

In addition to the fourth single tier dividend of RM1.6 sen per share, the Board of Directors have also recommended a special interim dividend of 1.00 sen per share amounting to approximately RM4,979,476 in respect of financial year ended 30 September 2022.

The entitlement date and payment date for the both dividends recommended above are on 15 December 2022 and 23 December 2022 respectively.

During the previous corresponding period, the Company declared a fourth single tier dividend of 2.80 sen per share for the financial year ended 30 September 2021 amounted to RM13,942,532.

The total dividend paid and payable by the Company in respect of the financial year ended 30 September 2022 is 7.00 sen per share represented by a total amount of approximately RM34,856,329.

Records of Dividends

<u>Financial Year</u>	<u>Dividend Per Share</u> Sen	<u>Total Dividend</u> RM	<u>Status</u>
2022 (Special interim dividend)	1.00	4,979,476	Payable
2022 (4th single tier dividend)	1.60	7,967,161	Payable
2022 (3rd single tier dividend)	1.60	7,967,161	Paid
2022 (2nd single tier dividend)	1.40	6,971,266	Paid
2022 (1st single tier dividend)	1.40	6,971,266	Paid
Total dividend paid and payable for the current financial year	<u>7.00</u>	<u>34,856,329</u>	
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 2021		<u>346,140,657</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 12-Months Ended	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000	30 Sep 2022 RM'000	30 Sep 2021 RM'000
Profit attributable to equity holders	7,562	10,045	33,214	34,155
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	1.52	2.02	6.67	6.86

(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 29 November 2022.

BY ORDER OF THE BOARD

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

29 November 2022