

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 2023**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		12-Months Ended	
		30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
		RM'000	RM'000	RM'000	RM'000
Revenue		58,273	46,940	217,159	176,702
Cost of sales		(30,151)	(30,267)	(127,197)	(120,265)
Gross profit		28,122	16,673	89,962	56,437
Selling & distribution costs		(1,305)	(1,683)	(5,141)	(913)
Administrative expenses		(5,398)	(6,408)	(15,786)	(12,461)
Other operating income		1,254	1,957	3,670	1,927
Profit from operations		22,673	10,539	72,705	44,990
Finance costs		(53)	(39)	(216)	(168)
Interest income		498	336	1,870	573
Share of loss of equity accounted associate, net of tax		-	(128)	-	(574)
Profit before taxation		23,118	10,708	74,359	44,821
Tax expense		(5,253)	(3,146)	(17,853)	(11,530)
Profit for the period/Total comprehensive income for the period		17,865	7,562	56,506	33,291
Attributable to:					
Equity holders of the Company		17,865	7,562	56,506	33,291
Earnings per share (sen):					
Basic	B11(a)	3.59	1.52	11.35	6.69
Diluted	B11(b)	N/A	N/A	N/A	N/A
Single tier dividend per share (sen)	B9	2.80	2.60	8.20	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 2022 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 30 SEPTEMBER 2023**

(The figures have not been audited)

	As At	Audited
	30 Sep 2023	30 Sep 2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,166	47,327
Investment property	4,997	4,326
Capital work-in-progress	6,124	-
Intangible assets	343	-
Other investment	10	10
	<u>55,640</u>	<u>51,663</u>
Current assets		
Inventories	25,395	29,058
Trade receivables	11,666	13,962
Other receivables, deposits & prepayments	601	1,938
Tax recoverable	13	13
Deposits with licensed banks	17,250	12,150
Cash and bank balances	57,155	50,622
	<u>112,080</u>	<u>107,743</u>
TOTAL ASSETS	<u>167,720</u>	<u>159,406</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	68,836	68,836
Retained profits	72,406	55,736
TOTAL EQUITY	<u>141,242</u>	<u>124,572</u>
Non-current liability		
Deferred taxation	4,266	4,613
	<u>4,266</u>	<u>4,613</u>
Current liabilities		
Trade payables	6,516	6,126
Other payables & accruals	12,264	21,672
Tax payable	3,432	2,423
	<u>22,212</u>	<u>30,221</u>
TOTAL LIABILITIES	<u>26,478</u>	<u>34,834</u>
TOTAL EQUITY AND LIABILITIES	<u>167,720</u>	<u>159,406</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.284</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 FINAL QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	<u>Non-Distributable</u> Share Capital RM'000	<u>Distributable</u> Retained Profits RM'000	<u>Total Equity RM'000</u>
At 1 October 2022	68,836	55,736	124,572
Total comprehensive income for the period	-	56,506	56,506
Dividends	-	(39,836)	(39,836)
At 30 September 2023	68,836	72,406	141,242
At 1 October 2021	68,836	58,297	127,133
Total comprehensive income for the period	-	33,291	33,291
Dividends	-	(35,852)	(35,852)
At 30 September 2022	68,836	55,736	124,572

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 FINAL QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	12-Months Ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	74,359	44,821
Adjustments for:		
Depreciation of investment property	153	149
Depreciation of property, plant and equipment	4,771	4,880
Amortisation of intangible assets	9	-
Unrealised gain on foreign exchange	(376)	(2,662)
Gain on disposal of property, plant and equipment	(50)	(26)
Dividend income	(31)	(6)
Property, plant and equipment written off	-	2
Interest income	(1,870)	(331)
Share of loss of equity accounted associates, net of tax	-	574
Impairment loss on investment in associate company	-	2,896
Operating profit before working capital changes	76,965	50,297
Net change in inventories	3,663	(8,916)
Net change in receivables	3,642	(1,378)
Net change in payables	(10,822)	6,299
Cash generated from operations	73,448	46,302
Tax paid	(15,395)	(11,849)
Interest received	1,870	331
Net cash generated from operating activities	59,923	34,784
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	50	26
Dividend received	31	6
Purchase of capital work-in-progress	(6,124)	-
Purchase of investment property	(825)	(57)
Purchase of property, plant and equipment	(1,610)	(479)
Purchase of intangible assets	(352)	-
Net cash used in investing activities	(8,830)	(504)
Cash Flows from Financing Activities		
Dividends paid	(39,836)	(35,852)
Net cash used in financing activities	(39,836)	(35,852)
Net Increase/(Decrease) in Cash and Cash Equivalents	11,257	(1,572)
Effect of Exchange Rate Changes	376	2,754
Cash and Cash Equivalents at beginning of the year	62,772	61,590
Cash and Cash Equivalents at end of the period	74,405	62,772

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 third single tier dividend of 2.20 sen per share on 497,947,555 ordinary shares in respect of the financial year ended 30 September 2023 amounted to approximately RM10,954,846 was paid on 21 September 2023.

A8. Segmental Information

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

Geographical Segments	12-Months Ended	
	30 Sep 2023	30 Sep 2022
<u>Revenue</u>	RM'000	RM'000
<i>Export Market</i>		
USA/Canada	67,250	48,309
Asia	40,776	33,147
Middle East	15,394	10,260
Europe	23,302	25,315
Australia/New Zealand	29,416	21,330
South America	19,612	15,867
Africa	4,478	5,525
	200,228	159,753
<i>Local Market</i>		
	16,931	16,949
	217,159	176,702
<u>Results</u>		
<i>Export Market</i>		
	68,562	40,522
<i>Local Market</i>		
	5,797	4,299
Profit before taxation	74,359	44,821

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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>30 Sep 2023</u>	<u>30 Sep 2022</u>
	<u>RM'000</u>	<u>RM'000</u>
Deposit with licensed banks	17,250	12,150
Cash and bank balances	57,155	50,622
	<u>74,405</u>	<u>62,772</u>
Deposit with licensed banks:		
(a) Islamic	17,250	11,150
(b) Non-Islamic	-	1,000
	<u>17,250</u>	<u>12,150</u>
Total cash (excluding Islamic instrument) ("A")	42,727	37,643
Total assets ("B")	167,720	159,406
A/B (%)	25%	24%

A15. Related Party Transactions

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

	<u>12-Months Ended</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</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.	4,046	3,196

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 2023 RM'000	30 Sep 2022 RM'000	RM'000	%
Revenue				
(a) Export	53,046	42,315	10,731	25%
(b) Local	5,227	4,625	602	13%
	<u>58,273</u>	<u>46,940</u>	11,333	24%
Profit before taxation ("PBT")	<u>23,118</u>	<u>10,708</u>	12,410	116%

For the current quarter ended 30 September 2023, the Group recorded revenue of RM58.273 million, representing an increase of RM11.333 million or approximately 24% on a quarter to quarter basis. The export market and local market contributed approximately 91% and 9% respectively to the Group's revenue. The overall increase in revenue were mainly due to the continuous Group's effort of strengthening global sales growth for industrial rubber hose.

The Group achieved PBT of RM23.118 million for the current quarter ended 30 September 2023, representing an increase of 116% from RM10.708 million in the corresponding quarter mainly due to increase in revenue.

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

	12-Months Ended		Variance	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	RM'000	%
Revenue				
(a) Export	200,228	159,753	40,475	25%
(b) Local	16,931	16,949	(18)	0%
	<u>217,159</u>	<u>176,702</u>	40,457	23%
Profit before taxation ("PBT")	<u>74,359</u>	<u>44,821</u>	29,538	66%

The Group recorded revenue of RM217.159 million, representing an increase of RM40.457 million or approximately 23% from RM176.702 million for twelve (12) months period ended 30 September 2022. The export market contributed approximately 92% to the Group's revenue. The export market registered an increase of 25% while local market registered a consistent revenue as compared to the corresponding period of the preceeding financial year. The overall improvement in revenue was mainly attributable to continuous orders from the market demand for industrial rubber hose.

The Group recorded a PBT of RM74.359 million for the twelve (12) months period ended 30 September 2023 compared to PBT of RM44.821 million recorded in corresponding period of the preceeding financial year, representing an increase of RM29.538 million or 66% increase. Higher PBT achieved in the twelve (12) months period mainly due to improvement in revenue.

B2. Comparison with Previous Quarter Results

	Current Quarter	Preceeding Quarter	Variance	
	3-Months Ended		RM'000	%
	30 Sep 2023 RM'000	30 Jun 2023 RM'000		
Revenue	58,273	56,154	2,119	4%
Profit before taxation ("PBT")	23,118	22,559	559	2%

The Group recorded an increase in revenue to RM58.273 million for the current quarter ended 30 September 2023 as compared to RM56.154 million recorded in preceeding quarter, representing an increase of RM2.119 million or approximately 4% 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 RM23.118 million for the current quarter ended 30 September 2023 as compared to RM22.559 million recorded in the preceeding quarter ended 30 June 2023, representing an increase of RM0.559 million or approximately 2%.

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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 be cautious and responsive to market needs, actively manage the supply chain and material cost challenges, rightsizing the operations as well as improving operational efficiency.

Barring of unforeseen circumstances, the Board is optimistic of the Group's future prospect for the coming financial year ending 30 September 2024 as it will continue to deliver a long term value for its stakeholders.

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 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Income tax	5,481	3,374	18,200	11,870
Deferred tax	(228)	(228)	(347)	(340)
	<u>5,253</u>	<u>3,146</u>	<u>17,853</u>	<u>11,530</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 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(498)	(336)	(1,870)	(574)
(b) Rental income	(73)	(66)	(277)	(252)
(c) Depreciation of investment property	39	38	153	149
(d) Depreciation of property, plant and equipment	1,185	1,194	4,771	4,880
(e) Amortisation of trademarks	9	-	9	-
(f) Unrealized gain on foreign exchange	(356)	(1,343)	(376)	(2,662)
(g) Realized gain on foreign exchange	(763)	(498)	(2,499)	(1,687)
(h) Gain on disposal of property, plant and equipment	-	-	(50)	(26)
(i) 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 1.80 sen per share amounting to approximately RM8,963,056 in respect of financial year ended 30 September 2023.

In addition to the fourth single tier dividend of 1.80 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 2023.

The entitlement date and payment date for both dividend shall be on 13 December 2023 and 21 December 2023 respectively.

During the previous corresponding period, the Company declared a fourth single tier dividend of 1.60 sen per share and special interim dividend of 1.00 sen per share for the financial year ended 30 September 2022 amounted to RM7,967,161 and RM4,979,476 respectively.

The total dividend paid and payable by the Company in respect of the financial year ended 30 September 2023 is 8.20 sen per share represented by a total amount of approximately RM40,831,700.

Records of Dividends

Financial Year	Dividend Per Share Sen	Total Dividend RM	Status
2023 (Special interim dividend)	1.00	4,979,476	Payable
2023 (4th single tier dividend)	1.80	8,963,056	Payable
2023 (3rd single tier dividend)	2.20	10,954,846	Paid
2023 (2nd single tier dividend)	1.80	8,963,056	Paid
2023 (1st single tier dividend)	1.40	6,971,266	Paid
Total dividend paid and payable for the current financial year	8.20	40,831,700	
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		380,996,986	

* 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 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Profit attributable to equity holders	17,865	7,562	56,506	33,291
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	3.59	1.52	11.35	6.69

(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 27 November 2023.

BY ORDER OF THE BOARD

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

28 Nov 2023