

WELLCALL HOLDINGS BERHAD

Registration No.: 200501025213 (707346-W)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		6-Months Ended	
		31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
		RM'000	RM'000	RM'000	RM'000
Revenue		49,087	50,138	101,524	102,732
Cost of sales		(30,851)	(29,694)	(60,523)	(64,522)
Gross profit	0.3715	18,236	20,444	41,001	38,210
Selling & distribution costs		(1,214)	(1,275)	(2,263)	(2,567)
Administrative expenses		(4,155)	(3,339)	(7,992)	(6,603)
Other operating income		1,872	683	2,205	(1,058)
Profit from operations		14,739	16,513	32,951	27,982
Finance costs		(35)	(52)	(83)	(107)
Interest income		619	466	1,244	807
Profit before taxation		15,323	16,927	34,112	28,682
Tax expense		(3,514)	(4,110)	(8,630)	(7,806)
Profit for the period/Total comprehensive income for the period		11,809	12,817	25,482	20,876
Attributable to:					
Equity holders of the Company		11,809	12,817	25,482	20,876
Earnings per share (sen):					
Basic	B11(a)	2.37	2.57	5.12	4.19
Diluted	B11(b)	N/A	N/A	N/A	N/A
Single tier dividend per share (sen)	B9	2.00	1.80	4.00	3.20

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 2023 and the accompanying notes to the Interim Financial Report.

WELLCALL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2024**

(The figures have not been audited)

	As At	Audited
	31 Mar 2024	30 Sep 2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,589	44,166
Investment property	4,916	4,997
Capital work-in-progress	3,614	2,466
Intangible assets	324	343
Other investment	10	10
	<u>54,453</u>	<u>51,982</u>
Current assets		
Inventories	25,728	25,454
Trade receivables	8,165	17,966
Other receivables, deposits & prepayments	4,400	5,504
Tax recoverable	22	22
Deposits with licensed banks	14,150	17,250
Cash and bank balances	59,638	57,155
	<u>112,103</u>	<u>123,351</u>
TOTAL ASSETS	<u>166,556</u>	<u>175,333</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	68,836	68,836
Retained profits	72,755	71,174
TOTAL EQUITY	<u>141,591</u>	<u>140,010</u>
Non-current liability		
Deferred taxation	4,330	4,266
	<u>4,330</u>	<u>4,266</u>
Current liabilities		
Trade payables	5,549	6,821
Other payables & accruals	8,326	17,712
Tax payable	6,760	6,524
	<u>20,635</u>	<u>31,057</u>
TOTAL LIABILITIES	<u>24,965</u>	<u>35,323</u>
TOTAL EQUITY AND LIABILITIES	<u>166,556</u>	<u>175,333</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.284</u>	<u>0.281</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2023 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 MARCH 2024**

(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 2023	68,836	71,174	140,010
Total comprehensive income for the period	-	25,482	25,482
Dividends	-	(23,901)	(23,901)
At 31 March 2024	68,836	72,755	141,591
At 1 October 2022	68,836	55,736	124,572
Total comprehensive income for the period	-	20,876	20,876
Dividends	-	(19,918)	(19,918)
At 31 March 2023	68,836	56,694	125,530

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 2023 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	6-Months Ended	
	31 Mar 2024	31 Mar 2023
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	34,112	28,682
Adjustments for:		
Depreciation of investment property	81	75
Depreciation of property, plant and equipment	2,391	2,387
Amortisation of intangible assets	19	-
Unrealised (gain)/loss on foreign exchange	(324)	2,058
Gain on disposal of property, plant and equipment	(8)	(50)
Dividend income	(8)	(31)
Interest income	(1,244)	(807)
Operating profit before working capital changes	35,019	32,314
Net change in inventories	(274)	1,501
Net change in receivables	10,905	9,935
Net change in payables	(10,663)	(11,783)
Cash generated from operations	34,987	31,967
Tax paid	(8,324)	(5,124)
Interest received	1,244	807
Net cash generated from operating activities	27,907	27,650
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	8	50
Dividend received	8	31
Purchase of capital work-in-progress	(1,149)	(3,329)
Purchase of property, plant and equipment	(3,814)	(634)
Net cash used in investing activities	(4,947)	(3,882)
Cash Flows from Financing Activities		
Dividends paid	(23,901)	(19,918)
Net cash used in financing activities	(23,901)	(19,918)
Net (Decrease)/Increase in Cash and Cash Equivalents	(941)	3,850
Effect of Exchange Rate Changes	324	(2,058)
Cash and Cash Equivalents at beginning of the year	74,405	62,772
Cash and Cash Equivalents at end of the period	73,788	64,564

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2023 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 2023. 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 2023.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2023 except for the adoption of the following new, revised MFRSs, amendments to MFRS and Issues Committee ("IC") Interpretations:

Standards and amendments issued but yet to be adopted**i) Effective immediately on 23 May 2023**

a) Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraph 4A and 88A)

ii) Effective for annual periods beginning on or after 1 January 2023

b) MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'

c) Amendments to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information

d) Amendments to MFRS 101, 'Presentation of Financial Statements' - Disclosure of Accounting Policies

e) Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates

f) Amendments to MFRS 112, 'Income Taxes' – Deferred Tax Related to Assets and Liabilities Arising from a Single Transactions

g) Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraphs 88B, 88C, and 88D)

iii) Effective for annual periods beginning on or after 1 January 2024

h) Amendments to MFRS 16, 'Leases' - Lease liability in a Sale and Leaseback

i) Amendments to MFRS 101, 'Presentation of Financial Statements' - Clarification of Liabilities as Current or Non-current

j) Amendments to MFRS 101, 'Presentation of Financial Statements' - Non-current Liabilities with Covenants

k) Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' - Supplier Finance Arrangements

iv) Effective for annual periods beginning on or after 1 January 2025

l) Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

v) Deferred to a date to be determined by the MASB

m) Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – 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 2023 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 first single tier dividend of 2.00 sen per share on 497,947,555 ordinary shares in respect of the financial year ending 30 September 2024 amounted to approximately RM9,958,951 was paid on 21 March 2024.

A8. Segmental Information

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

	6-Months Ended	
	31 Mar 2024	31 Mar 2023
	RM'000	RM'000
Geographical Segments		
Revenue		
Export Market		
USA/Canada	32,358	30,333
Asia	19,218	20,793
Middle East	6,697	5,556
Europe	9,488	9,986
Australia/New Zealand	15,825	16,082
South America	7,118	10,854
Africa	2,463	2,333
	<u>93,167</u>	<u>95,937</u>
Local Market	8,357	6,795
	<u>101,524</u>	<u>102,732</u>
Results		
Export Market	31,304	26,785
Local Market	2,808	1,897
Profit before taxation	<u>34,112</u>	<u>28,682</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
	31 Mar 2024	31 Mar 2023
	RM'000	RM'000
Deposit with licensed banks	14,150	10,500
Cash and bank balances	59,638	54,064
	73,788	64,564
Deposit with licensed banks:		
(a) Islamic	14,150	10,500
(b) Non-Islamic	-	-
	14,150	10,500
Total cash (excluding Islamic instrument) ("A")	44,966	39,508
Total assets ("B")	166,556	151,262
A/B (%)	27%	26%

A15. Related Party Transactions

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

	6-Months Ended	
	31 Mar 2024	31 Mar 2023
	RM'000	RM'000
Sub-contract services for topping of nylon cord on hoses for Wellcall Hose (M) Sdn. Bhd.	2,384	1,933

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

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Registration No.: 200501025213 (707346-W)

Incorporated in Malaysia

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	
	31 Mar 2024	31 Mar 2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
(a) Export	45,165	46,439	(1,274)	-3%
(b) Local	3,922	3,699	223	6%
	<u>49,087</u>	<u>50,138</u>	(1,051)	-2%
Profit before taxation ("PBT")	<u>15,323</u>	<u>16,927</u>	(1,604)	-9%

For the current quarter ended 31 March 2024, the Group recorded a fairly consistent revenue of RM49.087 million as compared to RM50.138 million recorded in corresponding period of the preceeding financial year, representing a slight decrease of RM1.051 million or approximately 2% on a quarter to quarter basis. The export market and local market contributed approximately 92% and 8% respectively to the Group's revenue.

The Group achieved PBT of RM15.323 million for the current quarter ended 31 March 2024, representing a decrease of 9% from RM16.927 million in the corresponding quarter mainly arising from decrease in revenue.

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

	6-Months Ended		Variance	
	31 Mar 2024	31 Mar 2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
(a) Export	93,167	95,937	(2,770)	-3%
(b) Local	8,357	6,795	1,562	23%
	<u>101,524</u>	<u>102,732</u>	(1,208)	-1%
Profit before taxation ("PBT")	<u>34,112</u>	<u>28,682</u>	5,430	19%

The Group recorded a fairly consistent revenue of RM101.524 million for the six (6) months period ended 31 March 2024, as compared to RM102.732 million in the corresponding period of the preceeding financial year. The export market contributed approximately 92% to the Group's revenue. The export market registered a decrease of 3% while local market registered an increase of 23% mainly due to higher demand of industrial rubber hose locally as compared to the corresponding period of the preceeding financial year.

The Group recorded a PBT of RM34.112 million for the six (6) months period ended 31 March 2024 compared to PBT of RM28.682 million recorded in corresponding period of the preceeding financial year, representing an increase of RM5.430 million or 19% increase. The higher PBT achieved in the six (6) months period mainly due to higher operating income and interest income besides the Group's effort of strengthening global sales growth for industrial rubber hose.

B2. Comparison with Previous Quarter Results

	Current	Preceding		
	Quarter	Quarter		
	3-Months Ended		Variance	%
	31 Mar 2024	31 Dec 2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	49,087	52,437	(3,350)	-6%
Profit before taxation ("PBT")	15,323	18,789	(3,466)	-18%

The Group recorded a decrease in revenue to RM49.087 million for the current quarter ended 31 March 2024 as compared to RM52.437 million recorded in preceeding quarter, representing a decrease of RM3.350 million or approximately 6% mainly due to higher raw material costs coupled with reduction in revenue resulted from slower demand of industrial rubber hose for the period under review.

As a result of decrease in revenue, the Group recorded a lower PBT of RM15.323 million for the current quarter ended 31 March 2024 as compared to RM18.789 million recorded in the preceeding quarter ended 31 December 2023, representing a decrease of RM3.466 million or approximately 18%.

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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**

In view of the coming quarters may be challenging to the Group, the Board remains optimistic that the Group stays 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, focus on prudent procurement strategies and inventory management to optimise cost and enhance operational efficiency.

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 6-Months Ended	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Income tax	3,629	4,304	8,566	7,749
Deferred tax	(115)	(194)	64	57
	<u>3,514</u>	<u>4,110</u>	<u>8,630</u>	<u>7,806</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 6-Months Ended	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(619)	(466)	(1,244)	(807)
(b) Rental income	(75)	(66)	(147)	(132)
(c) Depreciation of investment property	40	37	81	75
(d) Depreciation of property, plant and equipment	1,212	1,197	2,391	2,387
(e) Amortisation of intangible assets	10	-	19	-
(f) Unrealized (gain)/loss on foreign exchange	(974)	(70)	(324)	2,058
(g) Realized gain on foreign exchange	(735)	(413)	(1,573)	(697)
(h) Gain on disposal of property, plant and equipment	(8)	(50)	(8)	(50)

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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Incorporated in Malaysia

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 second single tier dividend of 2.00 sen per share amounting to approximately RM9,958,951 in respect of financial year ending 30 September 2024. The entitlement date and payment date for the said dividend shall be on 13 June 2024 and 20 June 2024 respectively.

During the previous corresponding period, the Company declared a second single tier dividend of 1.80 sen per share for the financial year ended 30 September 2023 amounted to RM8,963,056.

The total dividend paid and payable by the Company in respect of the financial year ending 30 September 2024 is 4.00 sen per share represented by a total amount of approximately RM19,917,902.

Records of Dividends

<u>Financial Year</u>	<u>Dividend Per Share</u>	<u>Total Dividend</u>	<u>Status</u>
	Sen	RM	
2024 (2nd single tier dividend)	2.00	9,958,951	Payable
2024 (1st single tier dividend)	2.00	9,958,951	Paid
Total dividend payable for the current financial year	<u>4.00</u>	<u>19,917,902</u>	
2023 *	8.20	40,831,700	Paid
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 2023		<u>421,828,686</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 6-Months Ended	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Profit attributable to equity holders	11,809	12,817	25,482	20,876
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	2.37	2.57	5.12	4.19

(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 28 May 2024.

BY ORDER OF THE BOARD

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

28 May 2024