

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 2024**

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		3-Months Ended		3-Months Ended	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
		RM'000	RM'000	RM'000	RM'000
Revenue		48,667	52,437	48,667	52,437
Cost of sales		(30,640)	(30,405)	(30,640)	(30,405)
Gross profit		18,027	22,032	18,027	22,032
Selling & distribution costs		(221)	(316)	(221)	(316)
Administrative expenses		(3,964)	(3,837)	(3,964)	(3,837)
Other operating income		3,856	333	3,856	333
Profit from operations		17,698	18,212	17,698	18,212
Finance costs		(45)	(48)	(45)	(48)
Interest income		451	625	451	625
Profit before taxation		18,104	18,789	18,104	18,789
Tax expense		(4,817)	(5,116)	(4,817)	(5,116)
Profit for the period/Total comprehensive income for the period		13,287	13,673	13,287	13,673
Attributable to:					
Equity holders of the Company		13,287	13,673	13,287	13,673
Earnings per share (sen):					
Basic	B11(a)	2.67	2.75	2.67	2.75
Diluted	B11(b)	N/A	N/A	N/A	N/A
Single tier dividend per share (sen)	B9	2.00	2.00	2.00	2.00

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 2024 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 2024**

(The figures have not been audited)

	As At	Audited
	31 Dec 2024	30 Sep 2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,920	47,805
Investment property	5,078	4,834
Capital work-in-progress	8,277	7,940
Intangible assets	296	305
Other investment	10	10
	<u>61,581</u>	<u>60,894</u>
Current assets		
Inventories	28,459	25,746
Trade receivables	8,632	13,759
Other receivables, deposits & prepayments	4,165	5,283
Tax recoverable	21	21
Deposits with licensed banks	17,980	16,100
Cash and bank balances	53,840	53,129
	<u>113,097</u>	<u>114,038</u>
TOTAL ASSETS	<u>174,678</u>	<u>174,932</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	68,836	68,836
Retained profits	76,601	74,269
TOTAL EQUITY	<u>145,437</u>	<u>143,105</u>
Non-current liability		
Deferred taxation	4,416	3,946
	<u>4,416</u>	<u>3,946</u>
Current liabilities		
Trade payables	6,267	7,588
Other payables & accruals	15,075	17,243
Tax payable	3,483	3,050
	<u>24,825</u>	<u>27,881</u>
TOTAL LIABILITIES	<u>29,241</u>	<u>31,827</u>
TOTAL EQUITY AND LIABILITIES	<u>174,678</u>	<u>174,932</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.292</u>	<u>0.287</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2024 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 2024**

(The figures have not been audited)

	<u>Non-Distributable</u>	<u>Distributable</u>	
	Share Capital RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 October 2024	68,836	74,269	143,105
Total comprehensive income for the period	-	13,287	13,287
Dividends	-	(10,955)	(10,955)
At 31 December 2024	68,836	76,601	145,437
At 1 October 2023	68,836	71,174	140,010
Total comprehensive income for the period	-	13,673	13,673
Dividends	-	(13,943)	(13,943)
At 31 December 2023	68,836	70,904	139,740

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 2024 and the accompanying notes to the Interim Financial Report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2024**

(The figures have not been audited)

	3-Months Ended	
	31 Dec 2024	31 Dec 2023
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	18,104	18,789
Adjustments for:		
Depreciation of investment property	48	41
Depreciation of property, plant and equipment	1,298	1,179
Amortisation of intangible assets	10	9
Unrealised (gain)/loss on foreign exchange	(2,661)	650
Dividend income	(6)	(8)
Interest income	(451)	(625)
Operating profit before working capital changes	16,342	20,035
Net change in inventories	(2,713)	(3,495)
Net change in receivables	6,244	11,362
Net change in payables	(3,489)	(5,323)
Cash generated from operations	16,384	22,579
Tax paid	(3,914)	(4,410)
Interest received	451	625
Net cash generated from operating activities	12,921	18,794
Cash Flows from Investing Activities		
Dividend received	6	8
Purchase of capital work-in-progress	(338)	(947)
Purchase of investment property	(291)	-
Purchase of property, plant and equipment	(1,413)	(364)
Net cash used in investing activities	(2,036)	(1,303)
Cash Flows from Financing Activities		
Dividends paid	(10,955)	(13,943)
Net cash used in financing activities	(10,955)	(13,943)
Net (Decrease)/Increase in Cash and Cash Equivalents	(70)	3,548
Effect of Exchange Rate Changes	2,661	(650)
Cash and Cash Equivalents at beginning of the year	69,229	74,405
Cash and Cash Equivalents at end of the period	71,820	77,303

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2024 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 2024. 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 2024.

Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2024 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 for annual periods beginning on or after 1 January 2024**

- a) Amendments to MFRS 16, 'Leases' - Lease liability in a Sale and Leaseback
- b) Amendments to MFRS 101, 'Presentation of Financial Statements' - Clarification of Liabilities as Current or Non-current
- c) Amendments to MFRS 101, 'Presentation of Financial Statements' - Non-current Liabilities with Covenants
- d) Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' - Supplier Finance Arrangements

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

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

iii) Effective for annual periods beginning on or after 1 January 2026

- f) Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' - Amendments to the Classification and Measurement of Financial Instruments
- g) Annual improvements to MFRS Accounting Standards - Volume 11
- iv) **Effective for annual periods beginning on or after 1 January 2027**
- h) MFRS 18, 'Presentation and Disclosure in Financial Statements'
- i) MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
- v) **Deferred to a date to be determined by the MASB**
- j) 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 2024 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 1.20 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 2024 amounted to approximately RM5,975,371 and RM4,979,476 respectively was paid on 20 December 2024.

A8. Segmental Information

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

Geographical Segments	3-Months Ended	
	31 Dec 2024	31 Dec 2023
<u>Revenue</u>	RM'000	RM'000
Export Market		
USA/Canada	18,426	15,296
Asia	5,968	11,873
Middle East	4,237	3,284
Europe	2,985	5,527
Australia/New Zealand	6,820	7,248
South America	3,888	3,453
Africa	2,183	1,321
	44,507	48,002
Local Market	4,160	4,435
	48,667	52,437
Results		
Export Market	16,556	17,200
Local Market	1,548	1,589
Profit before taxation	18,104	18,789

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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 except the Company had entered into a termination agreement with Trelleborg Holding AB to mutually terminate the Joint Venture Business arrangement by winding up of the associate, Trelleborg Wellcall Sdn. Bhd. on 31 December 2024.

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 Dec 2024	31 Dec 2023
	RM'000	RM'000
Deposit with licensed banks	17,980	18,520
Cash and bank balances	53,840	58,783
	<u>71,820</u>	<u>77,303</u>
Deposit with licensed banks:		
(a) Islamic	17,980	18,520
(b) Non-Islamic	-	-
	<u>17,980</u>	<u>18,520</u>
Total cash (excluding Islamic instrument) ("A")	38,791	44,234
Total assets ("B")	174,678	170,445
A/B (%)	22%	26%

A15. Related Party Transactions

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

	3-Months Ended	
	31 Dec 2024	31 Dec 2023
	RM'000	RM'000
Sub-contract services for topping of nylon cord on hoses for Wellcall Hose (M) Sdn. Bhd.	<u>1,273</u>	<u>1,250</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**

	3-Months Ended		Variance	
	31 Dec 2024	31 Dec 2023		
	RM'000	RM'000	RM'000	%
Revenue				
(a) Export	44,507	48,002	(3,495)	-7%
(b) Local	4,160	4,435	(275)	-6%
	<u>48,667</u>	<u>52,437</u>	<u>(3,770)</u>	<u>-7%</u>
Profit before taxation ("PBT")	<u>18,104</u>	<u>18,789</u>	<u>(685)</u>	<u>-4%</u>

For the current quarter ended 31 December 2024, the Group recorded a revenue of RM48.667 million as compared to RM52.437 million recorded in corresponding period of the preceeding financial year, representing a decrease of RM3.770 million or approximately 7% on a quarter to quarter basis mainly due to continuous market slow down sentiment from previous quarter in the industrial rubber hose industry globally. The export market and local market contributed approximately 91% and 9% respectively to the Group's revenue.

The Group achieved PBT of RM18.104 million for the current quarter ended 31 December 2024, representing a decrease of 4% from RM18.789 million in the corresponding quarter. The slight decrease was mainly resulted from higher operating income arising from unrealized gain on foreign exchange buffering the impact of lower gross profit for the quarter.

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 2024 announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Previous Quarter Results

	Current	Preceding	Variance	
	Quarter	Quarter		
	3-Months Ended			
	31 Dec 2024	30 Sep 2024	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	48,667	56,650	(7,983)	-14%
Profit before taxation ("PBT")	18,104	11,936	6,168	52%

The Group recorded a decrease in revenue to RM48.667 million for the current quarter ended 31 December 2024 as compared to RM56.650 million recorded in preceeding quarter, representing a decrease of RM7.983 million or approximately 14% mainly due to continuous slow down in demand from the low and medium pressure industrial rubber hose industry globally.

The Group recorded a higher PBT of RM18.104 million for the current quarter ended 31 December 2024 as compared to RM11.936 million recorded in the preceeding quarter ended 30 September 2024, representing an increase of RM6.168 million or approximately 52% mainly due to higher unrealized gain on foreign exchange translation for the quarter ended 31 December 2024 as compared to a higher unrealized loss on foreign exchange translation in previous quarter ended 30 September 2024.

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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 Group recognizes the importance of operational efficiency and is committed to continue optimizing its operating costs. Furthermore, the Group will maintain its competitiveness within the low and medium pressure industrial rubber hose industry by sustaining its strong market positioning via offering a competitive pricing strategy, while focusing on volume growth with prompt delivery.

Barring unforeseen circumstances and any significant changes in the industrial rubber hose market, the Group remains committed to delivering high quality products to existing customers, proactively securing orders from new customers and monitoring prevailing market conditions to adopt appropriate strategies to mitigate risks and achieve sustainable growth for the Group. Despite challenges ahead, the Group stays steadily to remain prominent in the market.

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 2024 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2023 RM'000
Income tax	4,347	4,937	4,347	4,937
Deferred tax	470	179	470	179
	<u>4,817</u>	<u>5,116</u>	<u>4,817</u>	<u>5,116</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 2024 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2023 RM'000
Profit for the period is arrived at after charging/(crediting):				
(a) Interest income	(451)	(625)	(451)	(625)
(b) Rental income	(87)	(72)	(87)	(72)
(c) Depreciation of investment property	48	41	48	41
(d) Depreciation of property, plant and equipment	1,298	1,179	1,298	1,179
(e) Amortisation of intangible assets	10	9	10	9
(f) Unrealized (gain)/loss on foreign exchange	(2,661)	650	(2,661)	650
(g) Realized gain on foreign exchange	(921)	(838)	(921)	(838)

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 2.00 sen per share amounting to approximately RM9,958,951 in respect of financial year ending 30 September 2025. The entitlement date and payment date for both dividend shall be on 13 March 2025 and 21 March 2025 respectively.

During the previous corresponding period, the Company declared a first single tier dividend of 2.00 sen per share for the financial year ended 30 September 2024 amounted to RM9,958,951.

The total dividend payable by the Company in respect of the financial year ending 30 September 2025 is 2.00 sen per share represented by a total amount of approximately RM9,958,951.

Records of Dividends

Financial Year	Dividend	Total	Status
	Per Share	Dividend	
	Sen	RM	
2025 (1st single tier dividend)	2.00	9,958,951	Payable
Total dividend payable for the current financial year	2.00	9,958,951	
2024 *	8.20	40,831,699	Paid
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 2024		462,660,385	

* 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 2024 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2023 RM'000
Profit attributable to equity holders	13,287	13,673	13,287	13,673
Weighted average number of shares in issue ('000)	497,948	497,948	497,948	497,948
Basic earnings per share (sen)	2.67	2.75	2.67	2.75

(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 21 February 2025.

BY ORDER OF THE BOARD

Chin Wai Yi
Company Secretary
(SSM PC 202008004409)
(MAICSA 7069783)

21 Feb 2025