



WELLCALL HOLDINGS BERHAD

(Company No: 707346-W)



ANNUAL REPORT 2018

www.wellcallholdings.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ng Peng Hong @ Ng Peng Hay
Group Independent Non-Executive
Chairman

Huang Sha
Group Non-Independent Managing Director

Leong Hon Chong
Huang Yu Fen (appointed w.e.f. 23rd
May, 2018)
Non-Independent Executive Director

Huang Kai Lin
Alternate Director to Leong Hon Chong

Tan Kang Seng
Tan Kang Foon
Non-Independent Non-Executive Director

Yong Peng Tak
Senior Independent Non-Executive Director

Goh Hoon Leum
Yang Chong Yaw, Alan
Dato' Haji Mohtar Bin Nong
Independent Non-Executive Director

REMUNERATION COMMITTEE

Goh Hoon Leum
Chairman

Yang Chong Yaw, Alan
Huang Sha (stand down w.e.f. 23rd
May, 2018)
Tan Kang Foon (appointed w.e.f. 23rd
May, 2018)
Member

AUDIT COMMITTEE

Goh Hoon Leum
Chairman

Yong Peng Tak
Yang Chong Yaw, Alan
Tan Kang Seng
Member

NOMINATION COMMITTEE

Yong Peng Tak
Chairman

Goh Hoon Leum
Yang Chong Yaw, Alan
Member

CORPORATE DISCLOSURE COMMITTEE

Huang Kai Lin
Chairman

Leong Hon Chong
Yu Tat Keong
Member

RISK MANAGEMENT COMMITTEE

Huang Kai Lin
Chairman

Yu Tat Keong
Liew Kean Peng (stand down w.e.f.
25th October, 2018)
Su Mee Ping (stand down w.e.f. 25th
October, 2018)
Tan Bee Chin (appointed w.e.f. 25th
October, 2018)
Lee Li Peng
Foo Lai Bee
Wong Lee Yen (appointed w.e.f. 25th
October, 2018)
Mazlan bin Muhamad Yusof
Yap Hong Ming
Yeong Yoke Wei
Yee Yiing Fern
Member

COMPANY SECRETARIES

Teo Soon Mei (MAICSA 7018590)
Chua Siew Yin (MAICSA 7065531)

PRINCIPAL PLACE OF BUSINESS

Plot 48, Jalan Johan 2/5,
Kawasan Perindustrian Pengkalan II,
Fasa II,
31550 Pusing,
Perak Darul Ridzuan.

Tel : 05-366 8805 / 06 / 07
Fax : 05-366 8768
E-mail : wellcall@wellcall.com.my
Website : www.wellcallholdings.com

REGISTERED OFFICE

No. 4-1, Kompleks Niaga Melaka
Perdana,
Jalan KNMP 3,
Bukit Katil,
75450 Melaka.

Tel : 06-232 6033
Fax : 06-232 6034

AUDITORS

Ong & Wong
Chartered Accountants
Unit C-20-5, 20th Floor, Block C,
Megan Avenue II,
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

Tel : 03-2161 1000
Fax : 03-2166 9131

REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan.

Tel : 03-7841 8000
Fax : 03-7841 8151 / 52

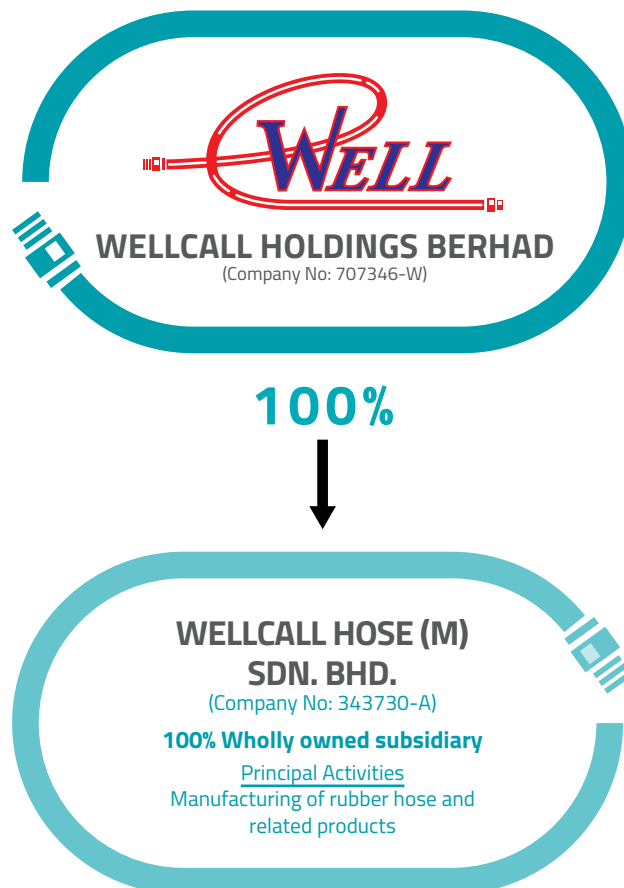
PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

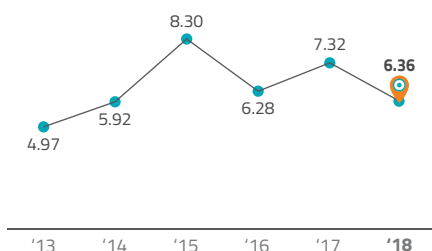
Main Market
Bursa Malaysia Securities Berhad
Stock Name : Wellcal
Stock Code : 7231
Sector : Industrial Products

CORPORATE STRUCTURE



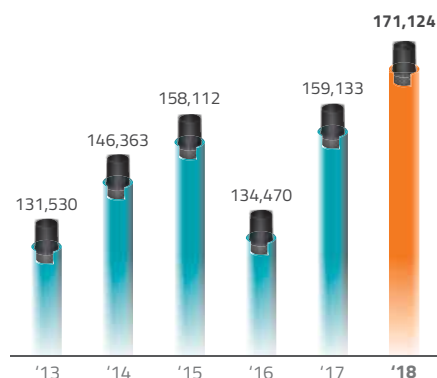
SIX YEARS GROUP FINANCIAL REVIEW

NET EARNINGS PER SHARE



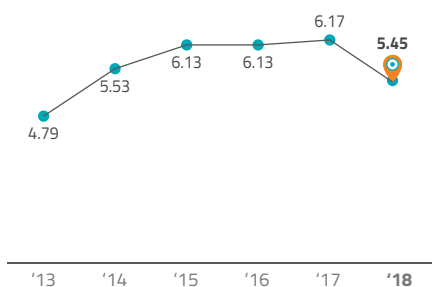
Financial Year Ended 30 September 2018

REVENUE



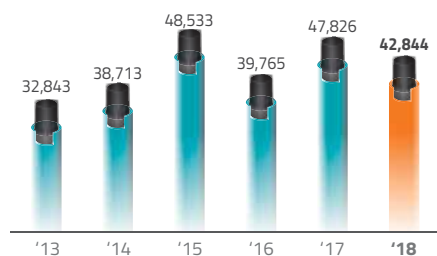
Financial Year Ended 30 September 2018

NET DIVIDEND PER SHARE



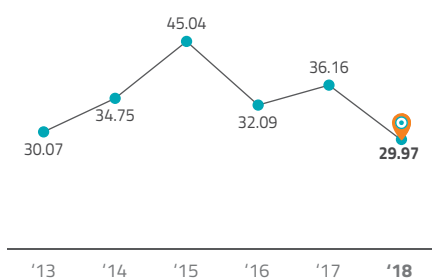
Financial Year Ended 30 September 2018

PROFIT BEFORE TAXATION



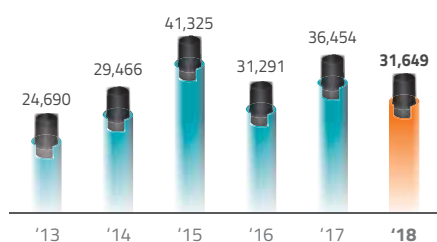
Financial Year Ended 30 September 2018

RETURN ON CAPITAL EMPLOYED



Financial Year Ended 30 September 2018

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS



Financial Year Ended 30 September 2018

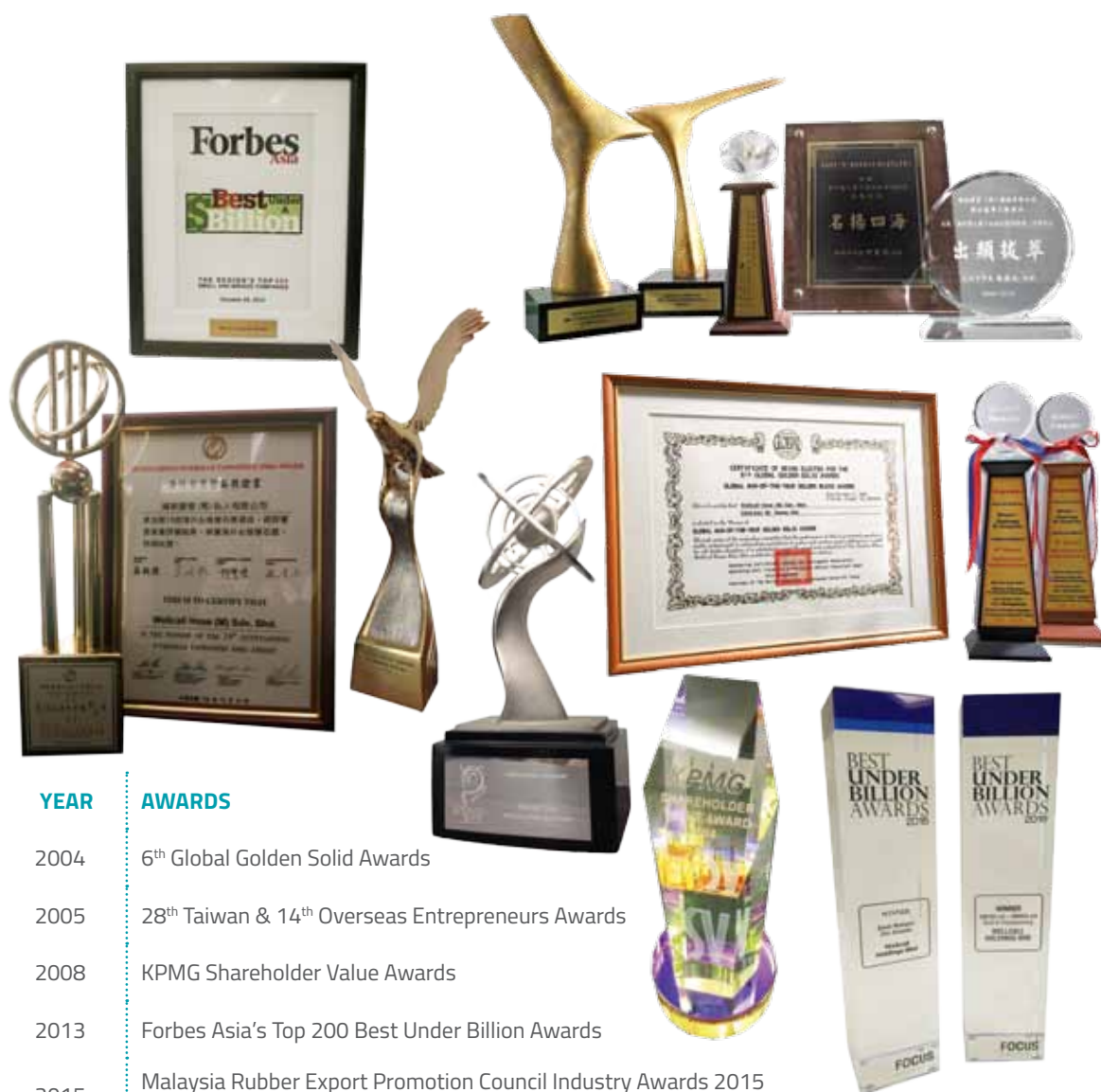
Six Years Group Financial Review
[cont'd]

	Financial Year Ended 30 September					
	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Revenue	131,530	146,363	158,112	134,470	159,133	171,124
Earnings Before Interest, Depreciation and Taxation	35,626	41,727	52,526	46,212	53,603	47,794
Interest Expense	(227)	(260)	(482)	(977)	(933)	(386)
Interest Income	875	965	828	789	856	911
Depreciation	(3,431)	(3,719)	(4,339)	(6,259)	(5,700)	(5,475)
Profit Before Taxation	32,843	38,713	48,533	39,765	47,826	42,844
Tax Expense	(8,153)	(9,247)	(7,208)	(8,474)	(11,372)	(11,195)
Profit Attributable to Equity Holders	24,690	29,466	41,325	31,291	36,454	31,649
Net Assets/Shareholders' Equity (RM'000)	83,216	86,356	97,140	97,890	103,721	107,485
Total Assets (RM'000)	98,112	106,824	139,319	133,799	129,017	130,581
Net EPS (Sen) *	4.97	5.92	8.30	6.28	7.32	6.36
Net Dividend Per Share (Sen) * (tax exempt/single tier)	4.79	5.53	6.13	6.13	6.17	5.45
Return On Capital Employed (%)	30.07	34.75	45.04	32.09	36.16	29.97
Return On Assets (%)	25.66	28.76	33.58	22.91	27.74	24.38
Weighted Average Number of Shares in Issue ('000) *	497,255	497,654	497,948	497,948	497,948	497,948
Net Assets Per Share (Sen)	16.74	17.35	19.51	19.66	20.83	21.59

Note:

* Adjusted to reflect the share split of every two (2) ordinary shares in the Company into three (3) ordinary shares in the Company held in the Company ("Subdivided Share"). The subdivided shares was completed on 14 September 2017.

AWARDS



YEAR	AWARDS
2004	6 th Global Golden Solid Awards
2005	28 th Taiwan & 14 th Overseas Entrepreneurs Awards
2008	KPMG Shareholder Value Awards
2013	Forbes Asia's Top 200 Best Under Billion Awards
2015	Malaysia Rubber Export Promotion Council Industry Awards 2015 – Malaysia Largest Exporter of Dry Rubber Products Awards
2015	Asia Pacific Entrepreneurship Awards 2015 Malaysia – Outstanding Category
2015	Golden Eagle Awards – Eminent Eagles
2015	Best Under Billion Awards (BUBA) 2015 – Best Return on Assets
2016	Best Under Billion Awards (BUBA) 2016 – Best in Transparency
2017	19 th Outstanding Overseas Taiwanese SMEs Award

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED STAKEHOLDERS,

On behalf of the Management, I am pleased to present the Management Discussion and Analysis of Wellcall Holdings Berhad ("the Company") and its subsidiary company ("Wellcall" or "the Group") for the financial year ended 30th September, 2018 ("FYE 2018").

OVERVIEW

In FYE 2018, our performance was commendable and we managed to sail through our challenging journey amidst the volatility of the global market sentiment. Nevertheless, the fundamentals of demand for our industrial rubber hose remain strong resulting from the gradual recovery of both the emerging and developed countries. We are confident that, we are able to perform and deliver our results through our solid base and to position ourselves to meet the surge in demand arising from the recovery of global economy.

BUSINESS AND OPERATIONS REVIEW

The principal activity of the Company is investment holding, while the principal activity of a wholly-owned subsidiary company is manufacturing industrial rubber hose for customers who are mainly in the business of distributing rubber hose to original equipment manufacturers. Therefore, the Group's business segment mainly comprises the manufacture and sale of rubber hose and related products, which is confined to a single business and by geographical segment.

Our export market accounted for approximately 89% of the Group's revenue covering over 70 countries while the remaining of approximately 11% was derived from domestic market. Hence, the market sentiment in the global economy plays an important role in driving the demand for rubber hose especially for replacement demand as well as product variations and penetration to new markets. Our geographical market segment is as disclosed in Note 27 of the FYE 2018 financial statements.

We have been continuously leveraging on our extensive customer network, improved productivity, quality services and our product range in FYE 2018. We will continually strive to enhance our competitive strengths in these areas to stay ahead of market trends. With the completion of our third plant, the additional capacity is timely in serving and sustaining our longer-term growth specially to cater for the global demand surge.

Our track record of more than 20 years in the rubber hose industry and over 40 years of industry knowledge have served a concrete platform for our presence in the rubber hose industry globally. Our product quality and reputable customer service have also aided us to expand our customer base to more than 200 customers. Besides product quality and reputable customer service, the Group has a strong research and development capability teamed by experienced personnel to deliver improved and innovative products and new processes.

The Group has also expanded its products range to various application markets ranging from air and water, oil and gas, welding, automotive, ship building, abrasion, food and beverages and chemical applications. Additionally, the Group possess the ability to customise its manufacturing to suit its customers' product requirements in terms of rubber hose sizes, pressures and temperature resistance. Our products are accredited by independent third party for product quality assurance and recognition such as SGS, Lloyd's Register, Flinders Cook, SIRIM QAS International and Malaysia Rubber Board.

Management Discussion
And Analysis
[cont'd]

BUSINESS AND OPERATIONS REVIEW (CONT'D)

Nevertheless, the Group continues to strive to perform well and to maintain its dividend pay-out ratio of at least 50% of the net profit for the year. Increasing our base of customers and revenue coupled with operational efficiencies are the key drivers of the Group to achieve its profitability. The Group's revenue and purchases are primarily traded in foreign currency and it is the Group's practice to keep the foreign currency exposure to an acceptable level.

To deepen the Group's talent pool, we continue to recruit or engage professionals and more experienced personnel from various fields to cater for future expansion. In-house trainings have been conducted for employees to assist them in applying relevant information into their daily tasks. The Group continuously reviews its human resource policies and practices to ensure staff welfares are well taken care of.

We trust that with the Group's strength, capabilities and sound underlying fundamentals, the Group would be able to step forward positively in an uncertain and challenging global economy.

FINANCIAL PERFORMANCE REVIEW

Revenue Surpassed the RM159 Million Mark

The Group recorded revenue of RM171 million, representing an increase of RM12 million or approximately 8% as compared to RM159 million in last financial year ended 30 September, 2017 ("FYE 2017"). The increase in revenue was mainly attributable to the continuation of recovery in global demand for industrial rubber hose and fairly benefited from the increase in selling price as well as volume for some hoses.

Our export sales accounted for approximately 89% of total revenue representing RM152 million while the remaining of approximately 11% was from local sales capturing RM19 million. Comparatively with FYE 2017, export sales had increased by RM9 mil (6%) and local sales had also increased by RM3 mil (19%). The overall increase in revenue was mainly resulted from the continuation of recovery in global demand for industrial rubber hose.

RM'mil	FYE 2018	FYE 2017	Change
Revenue:			
(a) Export market	152	143	9
(b) Local market	19	16	3
Total	171	159	12

The Group recorded a profit after taxation ("PAT") of RM32 million for FYE 2018 compared to PAT of RM36 million recorded in FYE 2017, representing a decrease of RM4 million, approximately of 11%. Lower PAT was mainly due to higher cost of production resulting from rising cost of material prices.

Management Discussion
And Analysis
[cont'd]

FINANCIAL PERFORMANCE REVIEW (CONT'D)

The table below highlights the Group's key financial performance for FYE 2018:

RM'mil	FYE 2018	FYE 2017	Change
Revenue	171	159	12
Expenses	131	114	17
Other Operating Income	3	3	-
Gross Profit	55	59	-4
Profit Before Taxation	43	48	-5
Profit After Taxation	32	36	-4
Gross Profit Margin	32%	37%	-5%
Pre-Tax Margin	25%	30%	-5%
Net Profit Margin	19%	23%	-4%

The Group recorded an increase in revenue from RM159 million to RM171 million which was mainly attributable to the continuation of recovery in global demand for industrial rubber hose and fairly benefited from the increase in selling price as well as volume for some hoses. Due to pressure from the raw materials prices that continue to fluctuate which has resulted the Group to incur higher cost of production, the gross profit margin has faced a compression of 5% recorded from 37% to 32%. The Group's pre-tax margin and net profit margin has also reduced to 25% and 19% respectively.

Strong Financial Position with Healthy Cash Flows

RM'mil	FYE 2018	FYE 2017	Change
Total Assets	131	129	2
Total Liabilities	23	25	-2
Total Equity	107	104	3
Total Borrowings	-	8	-8
Cash and Bank Balances	37	39	-2
Net Asset Per Share (sen) *	21.59	20.83	0.76
Basic Earnings Per Share (sen) *	6.36	7.32	-0.96
Dividend Per Share (sen) *	5.60	6.17	-0.57

* Adjusted to reflect the shares split of every two (2) ordinary shares into three (3) ordinary shares held in the Company. The issued and paid up capital of the Company is 497,947,555 ordinary shares and prior to the shares split was 331,965,037 ordinary shares.

Total liabilities have decreased from RM25 million to RM23 million was mainly due to repayment of a term loan during the year under review. Total borrowings (term loans) have reduced by RM8 million was resulted from settlement of a foreign currency ("USD") term loan. This has subsequently been off-set against by capital expenditure of RM6 million for the purpose of upgrading and improving production activities.

The Group is able to sustain its healthy cash flows position at RM37 million, slightly reduced by RM2 million as compared to FYE 2017 despite settlement of a term loan.

Management Discussion
And Analysis
[cont'd]

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Strong Financial Position with Healthy Cash Flows (Cont'd)

The Group's financial position remains positively strong with net assets per share of 21.59 sen per share for FYE 2018 (FYE 2017: 20.83 sen per share). Basic earnings per share in FYE 2018 was 6.36 sen per share as compared to 7.32 sen per share in FYE 2017 mainly resulted from higher cost of production due to rising cost of material prices.

Beholding at the sound financial platform, the Company has been declaring consistent dividend pay-out to reward its shareholders. Total paid out of 5.60 sen per share revealed a lower dividend as compared to FYE 2017 of 6.17 sen per share. However, the dividend pay-out still falls within the Company's policy of 50% pay-out ratio.

The Management believes that continuous reinvestment is essential for the Group to be competitive in this volatile market to ensure sustainable growth in delivering long term value to its stakeholders. The Group is also keeping abreast with technological changes whereby continuous capital investment are vital to enhance the efficiency and productivity. In this respect, the Group had invested substantial capital in its property, plant and equipment in previous financial years. For the FYE 2018, most of our capital investment of RM6 million would relate mainly to maintenance and upgrading of older production lines to further improve our productivity.

INDUSTRY TREND, DEVELOPMENT AND PROSPECT

Demand for industrial rubber hoses will continue to see a gradual recovery from both emerging and developed economies. Moving forward, the Group will ensure it stays ahead of market trends, responding swiftly to changes through automation and research. In the near term, the Group expects the raw material prices to trend at higher levels due to supply and demand mechanism of raw materials and foreign exchange volatility.

Meanwhile, the additional capacity from plant 3 supports the Group in further strengthening its position in the market with a wider range of industrial hose. However, the outlook of the global economy remains challenging and uncertain. Nevertheless, the Group strategies are to focus on leveraging on its extensive customer network, improved productivity, quality services and product range to enhance its competitive edge.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in the forthcoming financial year ending 30th September, 2019 ("FYE 2019") continues to remain positive with challenges ahead and hopes to achieve a better result than this year. The Group will continue to be well positioned to improve our performance in forthcoming FYE 2019, strive towards maintaining the Group's vision to be the world's leading manufacturer of quality industrial hoses. We are also encouraged by our customers for continued growth and expansion in our core business with the support from all stakeholders.

CORPORATE GOVERNANCE

The Group is committed to implement the best practice of corporate governance to enhance and increase shareholders' value. The Group has its risk management and internal control procedures to ensure transparency, accountability and integrity are attained and maintained in managing the Group businesses.

Policies that the Group has officially adopted includes Corporate Disclosure Policy, Fraud Policy, Whistle Blowing Policy, Enterprise Risk Management Policy, Succession Planning Policy and Emergency Succession Policy, where the Group will continue to adopt more corporate policies to ensure sustainability of the Group.

The Board of Directors' responsibilities for preparing the annual audited financial statements are disclosed in the Directors' Responsibilities Statement set in this Annual Report 2018.

The audited financial statements of Wellcall is not subject to any qualification as disclosed in the Independent Auditors' Report to the Members.

Management Discussion
And Analysis
[cont'd]**DIVIDEND**

The Board of Directors is not recommending any final dividend payment for FYE 2018.

For FYE 2018, the Company had:

- i) On 29th March, 2018, paid a first interim single tier dividend of 1.55 sen per share on 497,947,555 ordinary shares amounting to RM7,718,190;
- ii) On 28th June, 2018, paid a second interim single tier dividend of 1.20 sen per share on 497,947,555 ordinary shares amounting to RM5,975,370;
- iii) On 28th September, 2018, paid a third interim single tier dividend of 1.30 sen per share on 497,947,555 ordinary shares amounting to RM6,473,320; and
- iv) On 21st December, 2018, paid a special interim single tier dividend of 1.40 sen per share on 497,947,555 ordinary shares amounting to RM6,971,266.

The Group has been consistently paying out favourable dividends over the past five (5) financial years. The Group has also maintained its dividend pay-out ratio over the past five (5) financial years of more than 50%.

APPRECIATION

On behalf of the Management, I wish to express my sincere appreciation and gratitude to all our valued shareholders, business associates, government agencies, financial institutions, investment analysts, bankers and fund managers, customers, suppliers and friends for their continued support, co-operation and confidence towards our products and services. Our appreciation is also extended to our employees for their commitment, dedication, invaluable contribution, skills, energy and professionalism towards the performance of the Group. The successes of the Group achieved in FYE 2018 could not have been possible without their efforts. I would also like to thank our fellow Board of Directors for their valuable advice, guidance and support rendered to the Group.

HUANG SHA, P.M.P.
Group Managing Director

DIRECTORS' PROFILE

DATUK NG PENG HONG @ NG PENG HAY, D.M.S.M., D.S.M., P.J.K.

Age	:	66
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	Malaysia Certificate of Education
Occupation	:	Company Director
Position	:	Group Independent Non-Executive Chairman
Board Committee	:	None
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

- (a) Bonia Corporation Berhad
- (b) ICapital.Biz Berhad
- (c) Sinmah Capital Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
- (b) Indirect : Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006. He served as the State Assemblyman for Tengkeru Constituency under Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He was appointed as the Investment Co-ordinator of the Malacca State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his team of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka. In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by his Excellency, the Governor of Melaka in 1992. On 17th July, 1999, the Taiwanese Government awarded him the Economic Medal. Presently, he is the Chairman of Koperasi Jayadiri Malaysia Berhad. He is also a Non-Executive Director of Wellcall Hose (M) Sdn. Bhd., a wholly owned subsidiary company of Wellcall.

Directors' Profile
[cont'd]**HUANG SHA, P.M.P.**

Age	:	63
Gender	:	Male
Nationality	:	Taiwanese (Malaysian Permanent Resident)
Qualification	:	Secondary Education, Taiwan
Occupation	:	Company Director
Position	:	Group Non-Independent Managing Director
Board Committee	:	None
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : 16,925,317 ordinary shares
 (b) Indirect : 731,250 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extend the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

Father of Huang Yu Fen, Non-Independent Executive Director
 Father of Huang Kai Lin, Alternate Director to Leong Hon Chong

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006 and was appointed as Managing Director at the even date. He began his career in 1972 upon completing his secondary education and worked for various manufacturers of rubber products in Taiwan and Indonesia and progressed to the position of Production Manager. From 1989 to the mid-1990s, he joined Jetflo Robin (M) Sdn. Bhd., a manufacturer of industrial rubber hose, as a General Manager. Subsequently, he established our subsidiary company, Wellcall Hose (M) Sdn. Bhd. ("WHSB"), together with 2 other partners. With his in-depth knowledge, skills and expertise in all aspects of the manufacturing of rubber hose for more than 40 years, he has formulated our subsidiary company's strategic plans to be in line with the changes in the trends of various industries and customers' needs. He has also led WHSB to new heights by diversifying its customer's base and expanding its existing product range in the oil and gas sector as well as developing 3 new rubber hoses, namely food and beverage hose, chemical hose and steam hose. As recognition for his achievement in the industry, he was awarded the Winner of the Global Top Enterprise Golden Solid Awards by the Chinese Enterprise Development Association of Taiwan on 2nd October, 2004 and won The Asia Pacific Entrepreneurship Awards 2015 in August 2015. In October 2017, he has also cruised WHSB to a greater height as the winner of the 19th Outstanding Overseas Taiwanese SMEs Award. He also heads our R&D division where he plays a pivotal role in the product formulation and development. He is also the Managing Director of our subsidiary company, WHSB, where he is currently responsible for the strategic planning and development of our Group.

Directors' Profile [cont'd]

LEONG HON CHONG

Age	:	73
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	Bachelor of Commerce (Accountancy) University of Otago, New Zealand
Occupation	:	Company Director
Position	:	Non-Independent Executive Director
Board Committee	:	None
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : 5,369,350 ordinary shares
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extend the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006. He graduated from the University of Otago in New Zealand with a Bachelor of Commerce (Accountancy) in 1970. He started his career as an auditor with Swenry & Co., a public accounting firm in New Zealand. After 2 years, he joined Malaysia Vetsing Sdn. Bhd. as an Accounts Supervisor till 1975. From 1975 to 1985, he furthered his career with Carter Semiconductor Sdn. Bhd. as a Controller for the company's administration, finance and marketing divisions. In 1985, he set up a proprietorship providing management consultancy services till mid-1990s. Subsequently, he established Wellcall Hose (M) Sdn. Bhd. ("WHSB") together with Huang Sha and Lin Kun Pao and was appointed as an Executive Director of WHSB where he is currently responsible for the administration and marketing functions of the Group.

Directors' Profile
[cont'd]**HUANG YU FEN**

Age	:	39
Gender	:	Female
Nationality	:	Taiwanese (Malaysian Permanent Resident)
Qualification	:	Diploma in London Chamber of Commerce and Industry (LCCI), UK
Occupation	:	Company Director
Position	:	Non-Independent Executive Director
Board Committee	:	None
Date First Appointed to the Board	:	23rd May, 2018

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

1 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : 562,500 ordinary shares
 (b) Indirect : Nil

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

Daughter of Huang Sha, P.M.P., Group Non-Independent Managing Director

Sister of Huang Kai Lin, Alternate Director to Leong Hon Chong

WORKING EXPERIENCE

She was appointed to the Board of Wellcall on 23rd May, 2018. She graduated from the Stamford College, Malaysia with a Diploma in Accounting in 1999. Upon graduation, she joined Wellcall Hose (M) Sdn. Bhd. ("WHSB") as a Marketing Executive assisting in sales and marketing functions and later promoted as the Assistant Marketing Manager managing the marketing function as well as the business development segment. In view of the vast experience in managing the marketing functions, she was then promoted as the Business Development Manager overseeing the business development functions and assuming her current position as Manager to Group Managing Director office. She was then also appointed as the Executive Director of WHSB on 1st June, 2018.

Directors' Profile [cont'd]

HUANG KAI LIN

Age	:	34
Gender	:	Male
Nationality	:	Taiwanese (Malaysian Permanent Resident)
Qualification	:	Bachelor of Chemical Engineering National Taiwan University, Taiwan
Occupation	:	General Manager
Position	:	Alternate Director to Leong Hon Chong
Board Committee	:	(a) Chairman of Corporate Disclosure Committee (b) Chairman of Risk Management Committee
Date First Appointed to the Board	:	12th April, 2010

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
(b) Indirect : 2,186,850 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

Son of Huang Sha, P.M.P., Group Non-Independent Managing Director
Brother of Huang Yu Fen, Non-Independent Executive Director

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 12th April, 2010. He graduated from the National Taiwan University, Taiwan with a Bachelor of Chemical Engineering in 2008. He has several years of working experience in the rubber product industry and later joined as an engineer, in the Research and Development department of Wellcall Hose (M) Sdn. Bhd. ("WHSB") and later being promoted as General Manager overseeing the operations of the Company and subsidiary company. He was then appointed as the Executive Director of WHSB on 1st June, 2018.

Note:

Mr. Huang Kai Lin attended the five (5) Board meetings by invitation.

Directors' Profile
[cont'd]**TAN KANG SENG**

Age	:	51
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	Malaysian Certificate of Education
Occupation	:	Company Director
Position	:	Non-Independent Non-Executive Director
Board Committee	:	Member of Audit Committee
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : 1,687,500 ordinary shares
 (b) Indirect : 54,929,478 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extend the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

Father of Tan Kang Foon, Non-Independent Non-Executive Director

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006. He is also a Non-Executive Director of Wellcall Hose (M) Sdn. Bhd..

Mr. Tan has wide ranging interest in property, hospitality and financial technology businesses in Malaysia and overseas. He is also an active investor in food and beverages industries.

Directors' Profile [cont'd]

TAN KANG FOON

Age	:	28
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	Bachelor of Commerce University of Melbourne, Australia
Occupation	:	Company Director
Position	:	Non-Independent Non-Executive Director
Board Committee	:	Member of Remuneration Committee
Date First Appointed to the Board	:	24th August, 2016

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

Son of Tan Kang Seng, Non-Independent Non-Executive Director

WORKING EXPERIENCE

He was appointed to Board of Wellcall on 26th February, 2015 as an Alternate Director to Tan Kang Seng, then was appointed as Non-Independent Non-Executive Director to the Board on 24th August, 2016. He graduated from the University of Melbourne, Melbourne with a Bachelor of Commerce in 2013. He started his career as an auditor in KPMG Services Pte. Ltd. Singapore. He is currently a director of real estate development division in Grand Millennium Sdn. Bhd., a Company that is engaged in real estate development.

Directors' Profile
[cont'd]**YONG PENG TAK**

Age	:	50
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	(a) Bachelor of Accountancy The National University of Singapore (b) Master of Business Administration Imperial College London (c) Fellow Chartered Accountant Institute of Singapore Chartered Accountant (d) Chartered Financial Analyst CFA Institute, USA
Occupation	:	Company Director
Position	:	Senior Independent Non-Executive Director
Board Committee	:	(a) Chairman of Nomination Committee (b) Member of Audit Committee
Date First Appointed to the Board	:	1st April, 2015

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 1st April, 2015. He has more than 20 years of successful experience within the financial and investment management industries in Malaysia and Singapore. He is the Founder and Chief Executive Officer of the Fortress Capital Group.

Directors' Profile [cont'd]

GOH HOON LEUM

Age	:	68
Gender	:	Male
Nationality	:	Singaporean
Qualification	:	(a) Master of Property University of Newcastle, Australia (b) Bachelor of Land Economics (2nd Class Honours) University of Technology, Sydney (c) Diploma in Management Association of Business Executive, UK
Occupation	:	Company Director
Position	:	Independent Non-Executive Director
Board Committee	:	(a) Chairman of Audit Committee (b) Chairman of Remuneration Committee (c) Member of Nomination Committee
Date First Appointed to the Board	:	8th December, 2010

Other Directorships of Public Companies

Success Dragon International Holdings Limited (listed in Hong Kong Stock Exchange)

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 8th December, 2010. He is the Fellow member of Singapore Institute of Surveyors and Valuers and he is also a member of Australia Property Institute. He has more than 40 years of experience in construction and property development industry and he is a licensed Appraiser in Lands & Buildings. He was conferred a Public Service Medal (PBM) in 1996 by the President of The Republic of Singapore for his contribution to the community.

Directors' Profile
[cont'd]**YANG CHONG YAW, ALAN**

Age	:	49
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	(a) Bachelor of Economics (Accounting & Finance), Macquarie University, Sydney, Australia (b) Master of Business Administration Macquarie Graduate School of Management, Sydney, Australia (c) Member of CPA Australia
Occupation	:	Company Director
Position	:	Independent Non-Executive Director
Board Committee	:	(a) Member of Audit Committee (b) Member of Remuneration Committee (c) Member of Nomination Committee
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : 1,012,500 ordinary shares
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006. He obtained his Master of Business Administration from Macquarie Graduate School of Management, Sydney, Australia in 1999 and a Bachelor of Economics (Accounting and Finance) from Macquarie University, Sydney, Australia in 1992. He is also a member of CPA Australia. Mr. Yang has more than 25 years of experience in corporate finance and accounting. He is presently the Chief Operating Officer of Firegent iASP Sdn. Bhd., a company that assists banks in providing personalised data-driven advice to customers.

Directors' Profile [cont'd]

DATO' HAJI MOHTAR BIN NONG, D.P.M.T., A.S.M., P.J.C., P.J.K., B.L.B.

Age	:	64
Gender	:	Male
Nationality	:	Malaysian
Qualification	:	(a) Bachelor of Economics (Hons) University Kebangsaan Malaysia (b) Master in Business Administration University of Dubuque, Iowa, USA
Occupation	:	Company Director
Position	:	Independent Non-Executive Director
Board Committee	:	None
Date First Appointed to the Board	:	17th April, 2006

Other Directorships of Public Companies

Astino Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct : Nil
(b) Indirect : Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

WORKING EXPERIENCE

He was appointed to the Board of Wellcall on 17th April, 2006. He obtained his Master in Business Administration from University of Dubuque, Iowa, USA in 1994 and a Bachelor of Economics (Hons) from Universiti Kebangsaan Malaysia in 1978. He served in various positions within the Terengganu State from 1978 until 2010 including General Manager of Yayasan Pembangunan Usahawan Terengganu, President of Majlis Perbandaran Kuala Terengganu and State Financial Officer. He was appointed as the Terengganu State Secretary in January 2007 and subsequently retired in 2010. He is also currently a director of various private companies, i.e. Astino Berhad, Jasa Marine Sdn. Bhd. and Kendex Industry Sdn. Bhd..

KEY SENIOR MANAGEMENT PROFILE

HUANG SHA, P.M.P.

Group Non-Independent Managing Director
Taiwanese (Malaysian Permanent Resident), Male, aged 63

(Please refer to his profile as listed in Directors' Profile)

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LEONG HON CHONG

Non-Independent Executive Director
Malaysian, Male, aged 73

(Please refer to his profile as listed in Directors' Profile)

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HUANG YU FEN

Non-Independent Executive Director
Taiwanese (Malaysian Permanent Resident), Female, aged 39

(Please refer to her profile as listed in Directors' Profile)

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HUANG KAI LIN

Alternate Director to Leong Hon Chong
Taiwanese (Malaysian Permanent Resident), Male, aged 34

(Please refer to his profile as listed in Directors' Profile)

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YU TAT KEONG

Financial Controller
Malaysian, Male, aged 41

Mr. Yu was appointed on 18th July, 2016. He is a fellow member of the Association of Chartered Certified Accountants (ACCA), UK and also a member of Malaysian Institute of Accountants (MIA). He has a total of more than 18 years working experience in auditing, accounting and financial management, taxation, risk management, internal audit, secretarial, advisory, company listing exercise, performance management, administrative and human resource management. He started his career with KPMG and gained his commercial working experience and exposure in manufacturing, trading, services, education and stock broking sectors, mainly from listed companies where holding and subsidiaries are operating in Malaysia as well as in overseas.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Key Senior
Management Profile
[cont'd]

LIEW KEAN PENG

Factory Manager
Malaysian, Male, aged 60

Mr. Liew was being promoted on 1st February, 2015. Prior to his promotion, he was the Production Manager in the subsidiary company, Wellcall Hose (M) Sdn. Bhd. In 1976, he started his career with Kami Plastic Sdn. Bhd. and was promoted to the position of Production Leader in 1988. From 1988 to 1992, he joined Polyparts Sdn. Bhd. as a Production Supervisor. Thereafter, he left to join Jetflo Robin (M) Sdn. Bhd. as a Production Supervisor of the extrusion division. He joined our subsidiary company in 1996 and has retired on the 20th August, 2018. However, with his vast experience that he has in rubber hose industry, he was then being contracted for as an Advisor on 3rd September, 2018 as he wishes to pass his expertise to a successor of the Group.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

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TAN BEE CHIN

Administration & Human Resource Manager
Malaysian, Female, aged 44

Ms. Tan was appointed on 2nd July, 2018. She holds a Bachelor Degree in Business Administration and an Executive Diploma in Human Resource Management. She has a total of 20 years working experience in the field of administrative and human resource management. She started her career as a Management Trainee with an established foreign electronic manufacturing company, whereby she had gained experience in Good Manufacturing Practice, 5S Methodology, Total Quality Management Principles and Insurance. She had further gained her commercial experience with other listed companies throughout her career path.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Key Senior
Management Profile
[cont'd]**LEE LI PENG**

Marketing Manager
Malaysian, Female, aged 48

Ms. Lee was appointed on 27th June, 2016. Ms. Lee has a total of more than 27 years working experience in sales and marketing for local and international market segments. At present, she is pursuing her higher-level study in Logistics and Supply Management, Bachelor of Business (Hons) qualification. She holds a Certificate in Human Resource, completed her Private Secretarial Course and passed her Japanese Language Proficiency Test (Level 3). Ms. Lee started her career as a Secretary to Managing Director, which includes handling of shipping and purchasing matters besides secretarial functions. Prior to her employment with the Group, she progressed her career in sales and marketing as Sales Manager in companies having local and global markets niche.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

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FOO LAI BEE

Finance Manager
Malaysian, Female, aged 47

Ms. Foo was being promoted on 1st June, 2011. Prior to her promotion, she was the Assistant Head of Accounts and Finance division of our subsidiary company, Wellcall Hose (M) Sdn. Bhd. She graduated with a Diploma in London Chamber of Commerce and Industry (LCCI), UK in 1991. She started her career with C&T Management Sdn. Bhd. as an Accounts Clerk in 1994, before joining Solid Sector Sdn. Bhd. as an Accounts Executive in 1995. She joined our subsidiary company in 1997 and assumed her career progression till present with our subsidiary company.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Key Senior
Management Profile
[cont'd]

MAZLAN BIN MUHAMAD YUSOF

Store Manager
Malaysian, Male, aged 49

En. Mazlan was being promoted on 1st January, 2014. After completing his secondary education in 1988, he joined APMC Cement Sdn. Bhd. as a Mechanic Mate from 1991 to 2003, he joined Dah Toong Packaging Sdn. Bhd. and was promoted to the position as Factory Supervisor. In 2003, he joined our subsidiary company, Wellcall Hose (M) Sdn. Bhd. and assumed his career progression till present with our subsidiary company.

Directorships in Public Companies and Listed Issuers

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Wellcall Holdings Berhad ("the Company") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

Pursuant to Paragraph 15.25 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), this Corporate Governance Statement ("Statement") sets out how the Company has applied the Principles of the Malaysian Code on Corporate Governance ("MCCG 2017") and observed the Recommendations supporting the Principles for the year under review. Where a specific Recommendation of the MCCG 2017 has not been observed during the year under review, the non-observation, including the reasons thereof, and the alternative practice, if any, is mentioned in this Statement.

This statement sets out the manner in which the Company has applied the principles and recommendations of MCCG 2017 and the Board will continue to implement measures to improve compliance with principles and recommended best practices moving forward.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Part 1 – Board Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and its subsidiary company ("the Group") and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions :-

- together with Senior Management in practicing of good corporate governance culture within the Group;
- ensuring that all candidates appointed to Senior Management positions are of sufficient caliber, including the orderly succession of Senior Management personnel;
- overseeing the conduct of the Group's businesses and evaluating whether or not its businesses are being properly managed;
- reviewing and adopting a strategic plan which supports long-term value creation for the Group, addressing the sustainability of the Group's business;
- reviewing principal business risks faced by the Group which were identified by Risk Management Committee and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- setting risk appetite which the Management is allowed to operate within and implement an appropriate Risk Management framework;
- reviewing the adequacy and integrity of the Group's internal control and management information systems;
- overseeing the process of shareholder communications, including an investor relations programme for the Company;
- reviewing and approving the quarterly financial results and the annual audited financial statements to be submitted to Bursa Securities and the relevant authorities; and
- declaring and recommending dividend payment which is subject to the compliance with the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Securities ("LR").

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Remuneration Committee, Audit Committee, Nomination Committee, Corporate Disclosure Committee and Risk Management Committee and to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Corporate Governance
Statement
[cont'd]**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part 1 – Board Responsibilities (Cont'd)****Foster Commitment of Directors**

The Board meets at least five (5) times a year and additional meetings are held as and when necessary. Board Meetings are scheduled in advance at the end of the previous financial year prior to commencement of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision.

During the financial year ended 30 September, 2018, five (5) Board meetings were held. Details of the attendance are as follows :-

Directors	Position	No. of Board Meetings Attended	Percentage (%)
Datuk Ng Peng Hong @ Ng Peng Hay	Group Chairman, Independent Non-Executive Director	5/5	100%
Mr. Huang Sha	Group Managing Director	5/5	100%
Mr. Leong Hon Chong	Executive Director	5/5	100%
Ms. Huang Yu Fen (appointed w.e.f. 23rd May, 2018)	Executive Director	1/5	20%
Mr. Huang Kai Lin (Alternate to Mr. Leong Hon Chong)	Alternate Director	5/5*	100%
Mr. Tan Kang Seng	Non-Independent Non-Executive Director	5/5	100%
Mr. Tan Kang Foon	Non-Independent Non-Executive Director	5/5	100%
Mr. Yong Peng Tak	Senior Independent Non-Executive Director	5/5	100%
Mr. Goh Hoon Leum	Independent Non-Executive Director	5/5	100%
Mr. Yang Chong Yaw, Alan	Independent Non-Executive Director	5/5	100%
Dato' Haji Mohtar Bin Nong	Independent Non-Executive Director	5/5	100%

Note:

(*) Mr. Huang Kai Lin attended the five (5) Board meetings by invitation.

The Group Independent Non-Executive Chairman ("Chairman") of the Board chairs the Board Meetings. Prior discussion and agreement on the Group's financial performance and key matters will be conducted between the Managing Director ("MD"), Executive Directors and senior management staffs. Senior management staffs will be invited to attend the Board and Board Committee Meetings to advise and provide the Board and Board Committee members with the presentations, detailed explanation and clarification on relevant agenda items that have been tabled to the Board to enable them to arrive at a considered decision.

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. The Chairman of each Board Committee informs the Directors at each Board meetings of any salient matters noted during the respective Committees' meetings which require the Board's notice or direction. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings.

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. In addition, an annual assessment conducted by the Company Secretary will allow the Directors to disclose their directorships in other companies if any. Such notification is expected to indicate sufficiency of time that will be spent in the Company.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part 1 – Board Responsibilities (Cont'd)****Support of Qualified and Competent Company Secretaries**

The Board is supported by suitably qualified and competent Company Secretaries who are members of a professional body, The Malaysian Institute of Chartered Secretaries and Administrators. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their duties. The roles of the Company Secretaries have been set out clearly in the Board Charter. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliances with relevant regulatory requirements codes. The Company Secretaries support the Board in managing the Group's governance model, ensuring it is effective and relevant. All Directors are provided with an agenda and the relevant Board papers prior to every Board meeting to ensure that the Directors are fully apprised on matters or key issues affecting the Group as well as to enable Directors to make well-informed decisions on matters arising at the Board meetings. The Company Secretaries record all the deliberations, including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decision made in the minutes of meeting. The minutes of every Board meeting are also circulated to Directors for their perusal prior to confirmation of the same at the following Board meeting.

The Board ensures that the Company Secretaries who are selected and appointed have the relevant competent, experience and skills.

Supply of, and Access to, Information

All Directors are provided with an agenda and the relevant Board papers seven (7) days prior to every Board meeting to ensure that the Directors are fully apprised on matters or key issues affecting the Group as well as to enable Directors to make well-informed decisions on matters arising at the Board meetings. The Company Secretaries record all the deliberations, including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decision made in the minutes of meeting. The minutes of every Board meeting are also circulated to Directors for their perusal prior to confirmation of the same at the following Board meeting.

In addition, the Board members are updated on the Group's activities and its operations on a regular basis. Directors have access to all information of the Group on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may through the Board's consensus, to obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Group and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

Board Charter

Whilst Directors and Management of the Company are aware of their respective roles and responsibilities, including the limits of authority accorded, the Board recognises the need to formalise such demarcation of duties to provide clarity and guidance to Directors and Management. Accordingly, the roles of the Board, Board Committees, Executive and Non-Executive Directors are specified in the Group's Board Charter. The Board Charter, which has been adopted by the Board, serves as a referencing point for Board's activities to enable Directors carry out their stewardship roles and discharge their fiduciary duties towards the Company. In line with Recommendation 2.1 of the MCCG 2017, the Board will review and revisit the Board Charter of the Company where appropriate.

Corporate Governance
Statement
[cont'd]

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part 1 – Board Responsibilities (Cont'd)

Code of Conduct and Whistleblowing Policy

The Board has developed a Code of Conduct ("the Code") for employees of the Group in the Employees' Handbook, setting out the standards of conduct expected from employees, to engender good corporate behavior across the Group. The Board also observes a set of Code of Conduct and Ethics for the Directors which is based on the Code of Conduct and Ethics launched by the Companies Commission of Malaysia.

The Company also formalised a Whistleblowing Policy and Fraud Policy which outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of conduct involving employee, Management or Director in the Group. The Board also recognises the importance of adherence to the Code by all personnel in the Group and will take measures to put in place a process to ensure its compliance. Both Whistleblowing Policy and Fraud Policy have been uploaded on the Company's website at www.wellcallholdings.com.

Succession Planning

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. Accordingly, the Board has established and formalised the Company's sustainability policy and embed the economic, environment, social and governance elements in its corporate strategy.

The Board had also formalised a Succession Planning Policy. This policy is applied in order to meet the following objectives :-

- to ensure the Group is prepared with a plan to support operations and service continuity when the MD, Senior Management or key operation personnel leave their positions;
- to prepare a supply of suitable, qualified and motivated employees for higher roles and responsibilities;
- to develop career paths for employees which will facilitate the Group's ability to recruit and retain performance oriented or highly talented employees;
- to deliver a message to the Group's employees that they are valuable assets to the Group; and
- to develop reliable assessment procedures and ensure that these procedures are applied systematically across the Group.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Company has always carried out activities which endeavor to maintain a proper balance between our economic, social and environmental responsibilities and the interest of our stakeholders. The Company has always embrace responsibility to promote sustainability into its business by encouraging positive impact through its activities on the Economic, Environment, Market Place, Work Place, Community and also promoting a good governance.

During the financial year, the Group had carried out corporate social activities with the spirit to strike a positive impact on the economic, social and environment. The activities carried out are such as adoption of 3R concept in promoting recycling. The Group also received certain prestigious in recognition of the Company's efforts to promote good business ethics. Besides the above, the Group's detailed activities on corporate social responsibilities for the financial year under review are also disclosed in the Sustainability Statement of this Annual Report 2018. Going forward, the Board will continue to take steps to review the Company's sustainability policy and embed the environment, social and governance elements in its corporate strategy.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part 1 – Board Responsibilities (Cont'd)****Sustainability of Business (Cont'd)**

In addition to the above, the Board had also approved and formalised an Emergency Succession Policy. The Board recognises that there is a need to plan for contingencies due to the disability, death or departure of any Executive Directors who manages the day to day operations of the Company. However, while the Board acknowledges that such event is highly improbable and certainly undesirable, it also believes that due diligence in exercising its governance functions requires that it have an emergency executive succession plan in place. It is expected that this plan will ensure continuity in external relationships and in staff functioning. As such, if the Group face with the unlikely event of an untimely vacancy, the Group has in place an Emergency Succession Plan to facilitate the transition to both interim and longer-term leadership.

Part 2 – Board Composition

During the financial year under review, the Board consisted of ten (10) members, comprising one (1) Independent Non-Executive Chairman, one (1) Non-Independent Managing Director, two (2) Non-Independent Executive Directors, two (2) Non-Independent Non-Executive Directors, four (4) Independent Non-Executive Directors and one (1) Alternate Director. This composition fulfills the requirements as set out under the MCCG 2017, which stipulate that at least half of the Board must be Independent.

The profile of each Director is set out in Directors' Profile of this Annual Report.

The composition of the Board not only reflects the broad range of experience, skills and knowledge required to successfully direct and supervise the Group business activities, but also the importance of independence in decision making at the Board level.

There are five (5) main board committees namely :-

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Corporate Disclosure Committee ("CDC")
- Risk Management Committee ("RMC")

Directors' Independence

There is a clear division of responsibilities between the Chairman and the MD to embed accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making. The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The MD, supported by his fellow Executive Directors, implements the Group's strategic plan, policies and decisions adopted by the Board; and oversees the operations and business development of the Group.

The Board recognises the importance of independence and objectivity in the decision-making process. Executive Directors are responsible for the management of day-to-day business operations in the respective business units of the Group as well as the implementation of policies and decisions approved by the Board, whilst the Board sets the strategic direction for the Group.

The presence of Independent Non-Executive Directors ensures that issues of strategies, performance and resources proposed by Management are objectively evaluated, taking into consideration the long-term interests of shareholders, employees, customers, suppliers and other communities in which the Group conducts its business. The Independent Non-Executive Directors also ensure that the investment of minority shareholders is fairly reflected through Board representation.

Corporate Governance
Statement
[cont'd]

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part 2 – Board Composition (Cont'd)

Directors' Independence (Cont'd)

The Company recognises the contribution of the Independent Non-Executive Directors as equal Board members to the development of the Company's strategy, the importance of representing the interests of public shareholders and providing a balanced and independent view to the Board. All Independent Non-Executive Directors are independent of Management and free from any relationship which could interfere with their independent judgment. They contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Mr. Yong Peng Tak has been identified by the Board as the Group's Senior Independent Non-Executive Director, to whom concerns may be conveyed by fellow Directors, shareholders and other stakeholders.

Mr. Yang Chong Yaw, Alan, has served the Board as Independent Non-Executive Director beyond the 9-year tenure limit promulgated by the MCCG 2017, while Mr. Goh Hoon Leum having served the Board as Independent Non-Executive Director for a cumulative term of 9-year on 8th December, 2019. Hence, the Board has, after conducting an assessment on their performance as Independent Directors, recommended that Mr. Goh Hoon Leum to continue to act as Independent Non-Executive Director for the ensuing year subject to the approval from the shareholders of the Company and Mr. Yang Chong Yaw, Alan to continue to act as Independent Non-Executive Director for the ensuing year subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice No. 4.2 of the MCCG 2017 based on the following justifications :-

- i) they have fulfilled the criteria under the definition of Independent Director as stated in the LR and thus, is able to function as a check and balance, bringing an element of objectivity to the Board;
- ii) they have devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- iii) they have continued to exercise his independence and due care during his tenure as Independent Non-Executive Director and carried out their professional duties in the best interests of the Company and shareholders.

From the assessment conducted by the NC, it was acknowledged that Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum have met the independence guideline as set out in Chapter 1 of the LR. The Board upon the recommendation from the NC of the Company, therefore, considers Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum to be independent and recommends them to remain as the Independent Non-Executive Directors subject to the approval from the shareholders of the Company for Mr. Goh Hoon Leum and through a two-tier voting process pursuant to Practice No. 4.2 of the MCCG 2017 for Mr. Yang Chong Yaw, Alan. The Ordinary Resolutions 9 and 10 on the Proposed Continuation in Office as Independent Non-Executive Directors as set out in the Notice of the Thirteenth AGM of the Company, if passed, Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum shall be retained as the Independent Non-Executive Directors of the Company.

The criteria for independent directors used by the Board in assessing the Independent Directors of the Company accord with those of the LR.

Diversity Policy

Currently the Board has not set the limit for diversification on its Board composition to achieve the 30% representation from Women as the Board is of the opinion that the appointment of directors are based on merits without giving regards to the gender of the appointed directors and also consider the following criteria :-

- i) who have required mix skills, experience and other qualities and competencies;
- ii) to ensure that the highest standard of conduct and integrity are maintained;
- iii) fulfilling the regulatory compliance and selection criteria;
- iv) who can provide effective contribution and support to the functions of the Board; and
- v) who are more in tune with the business model of the Company.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part 2 – Board Composition (Cont'd)****Diversity Policy (Cont'd)**

During the financial year, the Board has appointed Ms. Huang Yu Fen as the Non-Independent Executive Director of the Company, thereby the women representation in the Board of the Company has revised to 10%. The Board has also directed the management of the Company to continuously assess its current diversity levels of the Group and consider linking achievement of the measurable objective to be established by the Board. Consideration must be given to all recommendations to the Board the establishment of the measurable diversity objectives and also that to link the achievement of these measurable objectives to key performance indicators of the Company. Currently, the Group has achieved 20.1% of women employees from the total workforce of the Group. The NC shall review and monitor from time to time the status of the diversity level.

Nomination Committee – Selection and Assessment of Directors

The NC consists of three (3) members, which comprise of Independent Non-Executive Directors as follows :-

1. Mr. Yong Peng Tak - Chairman (Senior Independent Non-Executive Director)
2. Mr. Goh Hoon Leum - Member (Independent Non-Executive Director)
3. Mr. Yang Chong Yaw, Alan - Member (Independent Non-Executive Director)

The NC is chaired by Mr. Yong Peng Tak who is also the Senior Independent Non-Executive Director. The terms of reference of the NC has been uploaded on the Company's website at www.wellcallholdings.com.

The duties and responsibilities of the NC are primarily as follows :-

- to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- to review and recommend new nominees for appointment to the Board when deem necessary, in making its recommendations, the NC would consider the candidates :-
 - o skills, knowledge, expertise and experience;
 - o professionalism and sound judgement;
 - o integrity and credibility; and
 - o in the case of the candidates for the position of Independent Non-Executive Director, the NC would evaluate the candidates' ability to discharge such responsibilities as expected from an Independent Non-Executive Director.
- to assess the performance of Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director. All assessments and evaluations carried out by the NC in the discharge of all its functions are properly documented;
- to recommend to the Board, Directors to fill the seats on Board Committees;
- to regularly review the Board's mix skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- to recommend to the Board for continuation in service of Executive Directors and Directors who are due for retirement;
- to orientate and educate new Directors on nature of business, the corporate strategies, current issues within the Group, the expectations of the Group concerning input from Director and the general responsibilities of Directors;

The final decision on the appointment of a candidate recommended by NC rests with the whole Board. The Board is entitled to the services of the Company Secretaries who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

Corporate Governance
Statement
[cont'd]

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part 2 – Board Composition (Cont'd)

Statement on Activities of the Nomination Committee

During the financial year, the NC meetings were attended by all members. The following matters were discussed in the NC meetings :-

1. The NC carried out a self-evaluation, assessed the effectiveness of the Board as a whole, the Board Committees and the contribution from each Director and reported to the Board. The NC also reviewed the independence of the Directors annually.
2. The Directors who were retiring namely, Datuk Ng Peng Hong @ Ng Peng Hay, Mr. Huang Sha and Mr. Yong Peng Tak and subject to re-election at the forthcoming Annual General Meeting ("AGM") were assessed by the NC and recommendation was submitted to the Board for decision on the tabling of the proposed re-election of the Directors concerned for shareholders' approval. All assessments and evaluations carried out by the NC are properly documented.
3. The retirement of Ms. Huang Yu Fen, the Executive Director appointed on 23rd May, 2018, and subject to re-appointment at the forthcoming AGM was assessed by the NC and recommendation was submitted to the Board for decision on the tabling of the proposed re-appointment of the Executive Director concerned for shareholders' approval. All assessments and evaluations carried out by the NC are properly documented.
4. The NC had also reviewed and recommended to the Board the retention of Mr. Yang Chong Yaw, Alan, as Independent Non-Executive Director of the Company for a cumulative term of nine (9) years pursuant to MCCG 2017, be approved. The reason of this recommendation is explained at a later part of this Statement.
5. The NC had also reviewed and recommended to the Board the retention of Mr. Goh Hoon Leum as Independent Non-Executive Director of the Company for a cumulative term of nine (9) years on 8th December, 2019, pursuant to MCCG 2017, be approved. The reason of this recommendation is explained at a later part of this Statement.
6. Save as disclosed above, the other remaining Independent Non-Executive Directors, namely, Datuk Ng Peng Hong @ Ng Peng Hay, Mr. Yong Peng Tak and Y.B. Dato' Haji Mohtar Bin Nong, had held their positions for a period of not more than nine (9) years.

Insofar as board diversity is concerned, the Board does not discriminate on the basis of age, gender, physical disability or religion. The evaluation of the suitability of candidates for filling of casual vacancy, re-election or re-appointment is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be. The NC has also taken this into consideration when assessing the performance of the Directors.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part 2 – Board Composition (Cont'd)****Statement on Activities of the Nomination Committee (Cont'd)**

The diverse backgrounds of the Board of the Company by gender, age and races as at 30th September, 2018 is as follows :-

Age (Years)	20 - 40		41 - 60		61 above		Total
Race	M	C	M	C	M	C	
	%	%	%	%	%	%	%
Female	–	10.0	–	–	–	–	10.0
Male	–	10.0	–	30.0	10.0	40.0	90.0
Total	–	20.0	–	30.0	10.0	40.0	100.0

The total workforce of the Group by gender, age and races as at 30th September, 2018 are as follows :-

Age (Years)	18 – 30				31 – 40				41 above				Total
Race	M	C	I	O	M	C	I	O	M	C	I	O	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Female	2.8	1.5	2.0	0.7	2.6	1.3	2.2	0.2	2.4	2.2	2.2	0.0	20.1
Male	2.4	1.1	0.5	40.3	3.7	2.8	0.2	17.5	3.5	2.6	2.0	3.3	79.9
Total	5.2	2.6	2.5	41.0	6.3	4.1	2.4	17.7	5.9	4.8	4.2	3.3	100.0

Another section on Diversity Policy is disclosed at the later part of this Statement.

In addition to the above, the Financial Projections which were tabled and approved by the Board would also be used to assess the performance of the Executive Directors of the Company.

M – Malay C – Chinese I – Indian O – Others

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group.

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board members. This is supplemented by visits to key locations and meetings with other key senior executives. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

All Directors of the Company have attended the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn Bhd within the stipulated timeframe required in the LR.

The Board acknowledges that continuous training is important to enable the Directors to effectively discharge their duties. The Board will on a continuous basis, evaluate and determine the training needs of its Directors.

On 23rd May, 2018, all the directors had attended a training session entitled "Malaysia Code on Corporate Governance 2017" conducted by Needsbridge Advisory Sdn. Bhd., our Internal Auditors.

Corporate Governance
Statement
[cont'd]

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part 2 – Board Composition (Cont'd)

Directors' Training – Continuing Education Programmes (Cont'd)

Save as disclosed, seminars and briefings attended by the Directors of the Company during the financial year were as follows :-

Mr. Yong Peng Tak

No	Date	Course
1	4th January, 2018	CIMB 10th Annual Malaysia Corporate Day
2	24th January, 2018	Invest Malaysia Conference 2018

Mr. Yang Chong Yaw, Alan

No	Date	Course
1	9th February, 2018	Comprehensive approach to MPERS series (Part 2: Recognition and measurement principles of MPERS)
2	16th March, 2018	Common offences under the Companies Act 2016
3	7th June, 2018	Malaysian tax implications on cross border transactions
4	11th June, 2018	GST Audits: Areas of concern in 2018
5	4th July, 2018	Malaysian tax implications on cross border transactions in 2018

The Company Secretaries normally circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements for the financial year under review.

Part 3 – Remuneration

Directors' Remuneration

The RC consists of three (3) members, which, comprising a majority of Independent Non-Executive Directors as follows :-

1. Mr. Goh Hoon Leum – Chairman (Independent Non-Executive Director)
2. Mr. Yang Chong Yaw, Alan – Member (Independent Non-Executive Director)
3. Mr. Tan Kang Foon – Member (Non-Independent Non-Executive Director) (appointed w.e.f. 23rd May, 2018)
4. Mr. Huang Sha – Member (Group Non-Independent Managing Director) (stand down w.e.f. 23rd May, 2018)

The RC has been entrusted by the Board with specific terms of reference to review and recommend to the Board an appropriate remuneration framework for Executive Directors, including recommendations to the Board on all elements of remuneration, terms of employment, reward structures and fringe benefits for Executive Directors, sufficient enough to attract and retain Directors of quality required to manage the business of the Group. The remuneration package of Non-Executive Directors is also assessed by the RC and recommended to the Board thereafter.

Corporate Governance
Statement
[cont'd]**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part 3 – Remuneration (Cont'd)****Directors' Remuneration (Cont'd)**

In the case of Executive Directors, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The determination of each Director's remuneration is a matter for the Board, as a whole. Directors do not participate in decision regarding their own remuneration package.

During the financial year under review, the Committee met twice and attended by all members. During the meetings held, the RC recommended to the Board performance related bonuses and also remuneration packages to the Executive Directors and Senior Management of the Company.

Details of the aggregate remuneration of Directors for the financial year ended 30th September, 2018 are as follows :-

	Group		Company	
	Executive Director RM'000	Non-Executive Director RM'000	Executive Director RM'000	Non-Executive Director RM'000
Fees	7	1,045	7	675
Salaries & Other Emoluments	2,205	50	8	24
Bonus	2,642	—	—	—
Benefit-in-Kind	65	—	—	—

The number of Directors of the Group whose total remuneration during the financial year under review that falls within the following bands are as follows :-

	Executive Directors	Non-Executive Directors	Total
Below RM50,000	—	—	—
RM50,001 to RM100,000	—	2	2
RM100,001 to RM200,000	1	3	4
RM200,001 to RM500,000	1	2	3
RM500,001 to RM1,000,000	1	—	1
Above RM3,000,000	1	—	1

The Company has opted not to disclose each Director's and Senior Management's remuneration as the Board considers the information to be sensitive and proprietary.

Corporate Governance
Statement
[cont'd]

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Part 1 – Audit Committee

The composition and a summary of the activities of the AC are set out separately in the Audit Committee Report in this Annual Report.

Based on terms of reference of AC, at least one (1) member of the AC :-

- i) must be a member of the Malaysian Institute of Accountants, or
- ii) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and :-
 - o he/she has passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - o he/she is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967;or
- iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

During the financial year under review, Mr. Yong Peng Tak, the member of the AC, had fulfilled the above criteria.

Risk Management Committee

The RMC comprises mainly of the management staff which is the General Manager and all Head of Departments. The RMC had established the Enterprise Risk Management Policy which the Board had approved and formalised the policy. The Enterprise Risk Management Policy has been uploaded on the Company's website at www.wellcallholdings.com. Currently the RMC is continuously undertaking steps to re-assess and updating its risk profile. During the year, the RMC has reported to the AC twice.

Recognise And Manage Risks Of The Group

Recognising the importance of risk management, the Board via a structured risk management framework, identifies, evaluates, controls, monitors and reported the principal business risks faced by the Group on an ongoing basis. A RMC has been formed and led by the Company's General Manager and comprising of all the Head of Departments of the Group.

The risk profiles of the Group will be reviewed on an annual basis. Further details of this process are set out in the Statement on Risk Management and Internal Control in this Annual Report.

The internal audit function of the Group is outsourced to independent professional firms, whose work are performed with impartiality, proficiency and due professional care, and in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, Incorporated, which sets out professional standards on internal audit. It undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the MCCG 2017 practices. The Internal Auditors report directly to the AC. Further details on the internal audit function can be seen in the Audit Committee Report and the Statement on Risk Management and Internal Control in this Annual Report.

**PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH
STAKEHOLDERS****Part 1 – Communication With Stakeholders****Uphold Integrity In Financial Reporting By The Company**

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa Securities, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant. A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing paragraph.

In assisting the Board to discharge its duties on financial reporting, the Board has established an AC, comprising a majority of Independent Non-Executive Directors, with Mr. Goh Hoon Leum as the Committee Chairman. The composition of the AC, including its roles and responsibilities, are set out in the Audit Committee Report in this Annual Report. One of the key responsibilities of the AC in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016, as the case may be. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Board maintains a transparent and professional relationship with the External Auditors. The AC invites the External Auditors to attend all its meetings and when required to discuss their audit plan, audit findings and the financial statements. The AC also meets the External Auditors without the presence of the Executive Directors and management at least twice (2) a year on any matters relating to the Group and its audit activities. From time to time, the External Auditors highlight matters that require the Board's attention.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the AC, which assists the Board in overseeing the financial reporting process of the Company, has agreed that non-audit services permitted to be provided by the External Auditors, including the need for the AC's approval in writing before such services are provided by the External Auditors.

In assessing the independence of External Auditors, the AC requires assurance by the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Corporate Disclosure Committee

The CDC comprises of the Executive Director, General Manager and Financial Controller and any information which is disclosed to the public must obtain prior approval from the Board before being released. The Board had formalised the Corporate Disclosure Policy which mentioned that Company will disclose material information to the public based on five (5) principles: transparency, timeliness, fairness, continuity and confidentiality. The Corporate Disclosure Policy has been uploaded on the Company's website at www.wellcallholdings.com.

Ensure Timely and High Quality Disclosure

The Board has established and formalised a Corporate Disclosure Policy in order to enable comprehensive, accurate and timely disclosures relating to the Company to be made to the regulators, shareholders and stakeholders. The Corporate Disclosure Policy not only to comply with the disclosure requirements as stipulated in the LR, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board had earmarked a dedicated section for MCCG 2017 on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders and the Company's Annual Report may be accessed. All information made available to Bursa Securities are immediately uploaded to the Company's website at www.wellcallholdings.com.

Corporate Governance
Statement
[cont'd]

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Part 2 – Conduct Of General Meetings

Shareholder Participation at General Meeting

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general.

All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed in the past. The Company had implemented the poll voting since the last AGM. The outcome of the AGM was announced to Bursa Securities on the same meeting day. The Board will adopt poll voting for any resolution set out in the notice of any general meeting, or in any notice of resolution may properly be moved and is intended to be moved at any general meeting, including the announcement of the detailed results showing the number of votes cast for and against each resolution. In addition, the Company will appoint scrutineer to validate the votes cast at the general meetings. The Board has ensured that each item of special business included in the notice of the AGM is accompanied by a full explanation of the effects of a proposed resolution.

Communication and Engagement with Shareholders

The Board recognises the importance of being transparent and accountable to the Company's investors and stakeholders, as such, has various channels to maintain communication with them. The various channels of communications are through the quarterly announcements and press releases on financial results to Bursa Securities, relevant announcements and circulars, press releases, when necessary, the Annual and Extraordinary General Meetings and through the Company's website at where shareholders can access pertinent information concerning the Group.

The upcoming AGM represents the principal forum for dialogue and interaction with shareholders. Shareholders are accorded both the opportunity and time to raise questions on agenda items of the general meeting. The notices of AGM are sent out to shareholders at least twenty-eight (28) days before the date of the meeting pursuant to Practice No. 12.1 of the MCGG 2017.

The Board will consider to adopt electronic voting to facilitate greater shareholders participation when facilities and mechanism for electronic voting are more prevalent in the future.

Compliance Statement

The Board is supportive of all the Recommendations of the Code and will take reasonable steps to review existing policies and procedures in place from time to time to ensure full compliance thereof.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is committed to maintain a sound system of risk management and internal control ("system") in Wellcall Holdings Berhad ("the Company") and its subsidiary company ("the Group"), and is pleased to provide the following Internal Control Statement ("Statement"), which outlines the nature and scope of risk management and internal control of the Group during the financial year under review. This Statement also takes into account the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers released by Bursa Malaysia Securities Berhad ("Bursa Securities") on the issuance of Internal Control Statement pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Securities for Main Market.

BOARD'S RESPONSIBILITY

The Board is ultimately responsible for the Group's system, which includes the establishment of an appropriate control environment and risk management framework as well as reviewing their adequacy and effectiveness in safeguarding shareholders' investment and the Group's assets. In view of the limitations inherent in any system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss. The system of internal control covers, inter-alia, financial, organisational, operational and compliance controls as well as risk management.

The Board affirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by major companies in the Group. This review process is conducted by the Company's Management team and out-sourced internal audit function.

Besides confirming that this process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company, the Board, through the Audit Committee, also reviews the adequacy and effectiveness of the system in the Group to ensure that appropriate measures are carried out to obtain the level of assurance required by the Board.

RISK MANAGEMENT GOVERNANCE AND SYSTEM

In line with Recommendation 9.1 of the Malaysian Code on Corporate Governance 2017, the Board has established a structured risk management framework to identify, evaluate, control, report and monitor significant business risks faced by major companies in the Group, where the updated risk profiles of the companies concerned are tabled to the Board for deliberation and action plans to be taken by Management in mitigating the risks, as deemed necessary.

The Board had formalised its Risk Management Committee ("RMC") which is headed by the General Manager and comprised of the Head of each Department. The RMC had also presented its Enterprise Risk Management Policy ("ERM Policy") which was tabled and approved by the Board of Directors. According to the ERM Policy, the RMC shall meet at least twice a year. The RMC re-assesses and updates its risk profiles and register on a periodically basis. The RMC has tabled its risk management report twice a year to the Board via the quarterly meeting.

This ERM Policy enables the Management and the Board to share a common model in the effective communication and evaluation of principal risks faced by the Group and internal controls implemented to address the risks concerned. The process involved Management's identification of risks, assessment of risks and controls and formulation of appropriate action plans before these were escalated to the Board for review.

Statement On Risk Management
And Internal Control
[cont'd]

RISK MANAGEMENT GOVERNANCE AND SYSTEM (CONT'D)

The business risks identified are scored for likelihood of their occurrence and the magnitude of impact upon the Group based on the relevant risk parameters that articulate the risk appetite of its subsidiary company. The internal audit function carried out its internal plan prepared based on the risk profiles of its subsidiary company in the Group.

The key elements of the Group's ERM Policy comprise the following:

- i) Risk Identification
- ii) Risk Assessment and Measurement
- iii) Risk Response and Treatment
- iv) Monitoring
- v) Reporting

It is also important to ensure the ERM Policy and risks are re-evaluated and updated on an on-going basis to reflect new information and experiences so that all significant risks are appropriately identified and addressed and that any material opportunities are not overlooked.

The Group adopts a decentralised approach to risk management, where all the Head of Departments take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibility of the Head of Departments.

The Financial Controller acts as the Risk Officer and also as the Secretary of the RMC. The Risk Officer actively assisting the General Manager to co-ordinate and liaise with each Head of Department to assess the risk throughout the Group, as a whole. The RMC will look out for significant changes in the business and external environment which may affect the Group's principal business risks and the General Manager, who acts as the head of RMC, shall report to the Board so that pertinent remedial measures may be developed to mitigate the key risks caused by changes in the business and external environment.

INTERNAL AUDIT GOVERNANCE

The Group's internal audit function is wholly outsourced to an independent professional firm, NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"). The scope of work performed by NeedsBridge comprises the conduct of internal audit based on internal audit plan which is reviewed and approved by the Audit Committee, in order to assess the adequacy and integrity of the governance, risk and internal control processes, and highlighting to the Audit Committee significant areas for improvements as well as risks that may impact the business units concerned. NeedsBridge reports directly to the Audit Committee and is responsible for planning and executing internal audit, on a risk-based approach, covering the key companies in the Group. The activities undertaken by NeedsBridge during the financial year comprise the following:

- conducted internal audit on key processes such as inventory management, goods delivery management, production management and governance management;
- conducted follow-up review on issues raised in preceding cycles of internal audit to assess the implementation status of Management's action plans;
- engaged with Executive Directors and Management on the outcome of the follow-up; and
- reported to the Audit Committee, highlighting the status of Management's action plans in addressing issues highlighted in preceding cycles of internal audit.

Statement On Risk Management
And Internal Control
[cont'd]**INTERNAL CONTROL SYSTEM**

The Board has established a system of internal control for the smooth running of the Group's operations, augmented by an established organisational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority. A process of hierarchical reporting is established which provides a documented and auditable trail of accountability.

The system of internal control entails, inter-alia, the proper delegation of duties and responsibilities from the Board to the Managing Director, Executive Directors and Management ("the Management") in running the Group's operations.

Details of some key elements of the Group's internal control system are described below:

- **Control environment**

To provide a proper control environment, focus is directed towards the qualities and abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Continuing education and training include internal briefings and external seminars for selected employees to enhance the level of awareness and knowledge on matters relating to risk management and internal controls;

- **Control structure**

The Board and the Management have established a formal organisational structure with clearly defined lines of accountability and delegated authority within the Group. This includes well-defined responsibilities of Board committees and various Management levels, including authorization levels for all aspects of the business.

The key elements of the Group's control structure are as follows:

Management

- The Group adopts ISO9001:2015 Quality Management System which will enable the Group to monitor and ensure the quality requirements of the Group's products.
- The Group also sets financial authority limits to assign authority to appropriate levels of Management.
- There are also policies and procedures which are clearly defined to support the Group's business operations and also data recovery backup plan to ensure business continuity in event of occurrence of disaster.
- In summary, these policies and procedures deal with, inter-alia, control issues for financial accounting and reporting, treasury management, asset security, information technology, etc. The procedures are subject to regular reviews to cater for process changes, changing risks or further improvements;
- Regular informal meetings with Head of departments which provide a platform for the Head of departments to communicate with, and provide feedback to, the Management.

Audit Committee

The Audit Committee reviews and notes the internal audit observations reported by the out-sourced internal audit function, including follow-up by the out-sourced internal audit function on the status of the Management's agreed action plans to address observations reported in preceding cycles of internal audit.

The Audit Committee Report, set out in this Annual Report, contains further details on the activities undertaken by the Audit Committee during the financial year under review.

Statement On Risk Management
And Internal Control
[cont'd]

INTERNAL CONTROL SYSTEM (CONT'D)

▪ **Control structure (Cont'd)**

Board

The Board holds regular discussions with the Audit Committee and the Management and considers their reports on matters relating to internal controls and deliberates on their recommendation for implementation.

▪ **Reporting and information**

The Group has in place the following reporting and information structure:

- Authority limits are established to provide a functional framework of authority in approving revenue and capital expenditure;
- The Group has in place a budgeting process that provides for a responsibility accounting framework;
- Management reports are generated on a regular and consistent basis to facilitate the Board and the Group's Management to perform financial reviews on the operating subsidiary company. The reviews encompass areas such as financial and non-financial key performance indicators and variances between budget and operating results and explanation of significant variances;
- The Executive Directors review the monthly management accounts; and
- The Executive Directors conduct monthly meetings with Management of all significant business units within the Group to discuss the various aspects of the business, financial and operational performance of the Group.

▪ **Monitoring and review**

The system of internal control is reviewed on an ongoing basis by the Board through the Audit Committee, which is also responsible for monitoring compliance with policies, procedures and guidelines.

ASSURANCE BY THE MANAGING DIRECTOR AND FINANCE DIRECTOR (EXECUTIVE DIRECTOR) ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In line with the Guidelines, the Managing Director, being the highest ranking executive in the Company and the Executive Director – Finance, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board in writing stating that the Group's system has operated adequately and effectively, in all material aspects, to meet the Group's objectives during financial year under review.

BOARD'S OPINION ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Based on the review of the risk management results and process, results of the internal audit activities, monitoring and review mechanism stipulated above and written assurance provided by the Managing Director and Executive Director – Finance, the Board is of the opinion that the system is satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report 2018. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's system in meeting the Group's strategic objectives.

Statement On Risk Management
And Internal Control
[cont'd]**ASSURANCE PROVIDED BY THE EXTERNAL AUDITORS**

The External Auditors have reviewed the Statement on Risk Management and Internal Control. Their review has been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in assessing the risks faced by the Group and also in reviewing the adequacy and integrity of the system of internal control for the Group.

Based on the review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the system of internal control of the Board.

This Statement is issued in accordance with a resolution of the Board dated 16th January, 2018.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 30th September, 2018.

1. MEMBERS OF THE COMMITTEE

The Audit Committee comprises the following members:

Chairman

Independent Non-Executive Director
Goh Hoon Leum

Member

Senior Independent Non-Executive Director
Yong Peng Tak

Independent Non-Executive Director
Yang Chong Yaw, Alan

Non-Independent Non-Executive Director
Tan Kang Seng

2. TERMS OF REFERENCE

The terms of reference ("TOR") of the Audit Committee as approved by the Board are available on the Company website at www.wellcallholdings.com.

3. MEETINGS

There were five (5) meetings of the Audit Committee held during the financial year ended 30th September, 2018, which were attended by the Audit Committee members as follows:

<u>Members</u>	<u>Position</u>	<u>No. of Meetings Attended</u>	<u>Percentage (%)</u>
Goh Hoon Leum <i>Chairman</i>	Independent Non-Executive Director	5/5	100%
Yong Peng Tak <i>Member</i>	Senior Independent Non-Executive Director	5/5	100%
Yang Chong Yaw, Alan <i>Member</i>	Independent Non-Executive Director	5/5	100%
Tan Kang Seng <i>Member</i>	Non-Independent Non-Executive Director	5/5	100%

Audit Committee
Report
[cont'd]**3. MEETINGS (CONT'D)**

The meeting dates where the Audit Committee met during the financial year were 27th November, 2017, 18th January, 2018, 26th February, 2018, 23rd May, 2018, 27th August, 2018. Wellcall Holdings Berhad ("the Company") and its subsidiary company ("the Group")'s External Auditors attended all the Audit Committee meetings during the year.

The Chairman of the Audit Committee undertakes a continuing process of engagement with senior executives of the Company as well as the External Auditors and the Internal Auditors so that the Audit Committee is kept up-to-date with all important issues including key audit issues and concerns affecting the Company. Minutes of each Audit Committee meeting are noted by the Board via distribution to each Board member and the Chairman of the Audit Committee highlights on key issues discussed in the Audit Committee meeting at each Board meeting.

4. SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year, the activities undertaken by the Audit Committee are as follows:

Financial Reporting

- a. Reviewed the quarterly financial and operational reports of the Group before recommending to the Board for approval.
- b. Reviewed the External Auditors' reports in relation to audit and accounting issues arising from the audit; and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board ("MASB") prior to submission to the Board for approval. The review was to ensure the financial reporting and disclosures requirements are in compliance with:
 - Provision of Companies Act 2016;
 - Listing Requirements of Bursa Malaysia Securities Berhad;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee discussed with Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

- c. Reviewed the variation in results between the draft audited and unaudited fourth quarterly report of the Company before recommending to the Board for approval.

Dividend Declaration

- a. Reviewed the recommended interim dividend pay-out including the related solvency tests.

Audit Committee
Report
[cont'd]

4. SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

During the financial year, the activities undertaken by the Audit Committee are as follows: (Cont'd)

Internal Audit

- a. Reviewed the annual internal audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group.
- b. Reviewed and discussed the internal audit reports which were tabled during the meetings, the audit issues, root causes, potential risks, implications and recommendations made and management's response to these recommendations.
- c. Monitoring and ensuring corrective actions have been taken to rectify the weaknesses highlighted and all the key risks and control lapses have been addressed.
- d. Reviewed and assessed the competency of the internal audit function.

External Audit

- a. Reviewed and discussed with External Auditors' audit planning memorandum, audit strategy and scope of the year.
- b. Reviewed annual audited financial statements of the Group and Company prior to submission to the Board for approval.
- c. Reviewed and discussed External Auditors' observations, the results of the annual audit, audit report and management letter together with management's response to the findings before recommending to the Board for approval.
- d. Assessed and discussed the performance and effectiveness of the External Auditors, including the independence, objectivity and professional skepticism, communication interaction, audit finalization, the quality of skills and capabilities of audit team, sufficient of resources and terms of engagement. The Audit Committee is satisfied with the performance of the External Auditor and recommended the audit fee payable for the Board approval as well as recommending them to be re-appointed at the forthcoming Annual General Meeting.
- e. Met twice during the financial year, on and respectively, with External Auditors without the presence of management to discuss with them problems arising from the audit and to reinforce the independence of the external audit function of the Company and the Group. There were no major issues highlighted by them.

Risk Management

The Board and Management have embarked on the risk management culture and endeavor to ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board undertakes to conduct regular risk awareness sessions at the operational level to promote the understanding of risk management principles and practices across different functions within the Group. The Management will review and discuss the Enterprise Risk Management process, profiles and update the register periodically.

The Statement on Risk Management and Internal Control, set out in this Annual Report further details on the activities undertaken by the Audit Committee during the year.

4. SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

Related Parties Transactions

Reviewed any inter-company transactions and any related/interested party transactions that arose within the Company and the Group to ensure compliance with MASB and LR and that the transactions were carried out on arm's length basis.

During the financial year, there was no unusual related party transactions reported.

Annual Reporting

Reviewed the Audit Committee Report, Statement on Risk Management & Internal Control, Corporate Governance Statement to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

Others

- a. Reviewed the financial projection and its variation.
- b. Reviewed the Board policy and procedures of the Group.
- c. Verified the solvency test and declaration of the interim dividend in compliance with the requirements of the Companies Act 2016.
- d. Considered and discussed the proposed acquisition of a piece of land held under Lot 226177 situated in Mukim Sungai Terap, District of Kinta, State of Perak by Wellcall Hose (M) Sdn. Bhd., the wholly owned subsidiary of the Company.

Evaluation and Assessment of the Audit Committee

The performance and effectiveness of Audit Committee would be assessed annually through Audit Committee evaluation and Audit Committee members' self and peer evaluation conducted by the Audit Committee, and Nomination Committee reviewed the results of such assessments. The Nomination Committee reviewed the term of office and performance of the Audit Committee members annually. During the year, the Board is satisfied that the Audit Committee and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the Audit Committee.

Training

During the year, all of the Audit Committee members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed in the Corporate Governance Statement set out in this Annual Report.

Audit Committee
Report
[cont'd]

5. INTERNAL AUDIT FUNCTION

The Audit Committee is aware that an independent internal audit function is essential to assist in providing the assurance the Audit Committee requires regarding the adequacy and effectiveness of the risk management and internal control system of the Group. The internal audit function is wholly outsourced to independent professional firms, which report directly to the Audit Committee. The Audit Committee acknowledged the advantages for outsourced internal audit function to the independent external consultants including access to professional skills, knowledge, expertise and able to cover unexpected staffing needs.

The independent external consultants carry out internal audit with a view to assess the adequacy and effectiveness of the Group's system of internal control of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures and the regulatory requirements of the relevant authorities. The Audit Committee reviews and approves the internal audit plan of the Group submitted by the independent external consultants. The total fees incurred for the internal audit function in respect of the financial year ended 30th September, 2018 was RM40,000.

The principal role of the internal audit is to undertake independent, regular and systematic reviews of the system of internal control so as to provide reasonable assurance that such system is in place and continue to operate satisfactorily and effectively as functionally intended. It is the responsibility of the independent external consultants to provide the Audit Committee with independent and objective reports on the state of risk management, control and governance of the various operating units within the Company and the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The other main activities performed by the independent external consultants are as follows:

- Reviewed the pertinent issues of the Group according to the audit cycles, which included processes controls for inventory management, goods delivery management, production management and governance management; and
- Reviewed the findings and action plans resulting from internal audits.

During the financial year under review, there were no material control failure that would have resulted in any significant losses to the Group.

Further details of the activities of the Internal Auditors performed during the financial year under review is set out in the Statement on Risk Management and Internal Control of this Annual Report.

SUSTAINABILITY STATEMENT

Wellcall Holdings Berhad and its subsidiary company ("Wellcall" or "the Group") believes that sustainability development of the Group will help to achieve its short-term goal without compromising its long-term resources. This will enable Wellcall to sustain its business and recognition of stakeholders in long run.

Wellcall endeavours to maintain a proper balance between our economic, environmental and social responsibilities and the interest of our stakeholders. Corporate Social Responsibility has also been a guide to embrace responsibility for Wellcall's actions and to encourage positive impact through its activities on the Economic, Environment, Market Place, Work Place as well as the Community.

ECONOMIC

Wellcall always supports shareholders to prosper financially, therefore has been continuously generating positive revenue and profit while maintaining a sustainable dividend payment with a pay-out ratio of more than 90% to shareholders. To achieve this favourable result, Wellcall has taken in consideration of few aspects; maintain prudent investment and working capital, source for new business opportunities, furnish customers with high quality products, practise good after sales services, and develop a mutually beneficial business relationship with suppliers.

ENVIRONMENT

Wellcall has been implementing on-going environmental friendly activities. The adoption of 3R concept (Reduce, Reuse and Recycle) has always been part of the business activities. Wellcall constantly monitors its energy, water and fuel usages by implementing scheduled maintenance and structured production schedules to minimise stoppages, interruptions and abnormal wastages in the manufacturing activities.

Moreover, our factories are strategically located opposite and within walking vicinity to minimise fuel consumption and enabling efficient inter-factory transportation.

Solid waste is segregated into right forms for recycling and reuse purposes. For example, steel containers are recycled to be built into tables, chairs, stationery holders, containers and etc. to minimise the need to purchase brand new ones.

Wellcall also believes that with proper disposal or reuses of wastages is part of its balance activities to ensure the sustainability for its business as well as for the environment. Therefore, Wellcall cares and ensures that disposal of such wastages is in compliant with the rules and regulation and in a proper form.

MARKET PLACE

Wellcall practices good business ethics to ensure sustainability and on-going business progression. In 2017, Wellcall has been awarded The 19th Outstanding Overseas Taiwanese SMEs Award, which elevated Wellcall's reputation and position as an industrial rubber producer a level above. Back in 2016, Wellcall was awarded as the Best Under Billion Awards (BUBA) 2016 - Best in Transparency Category. In 2015, Wellcall was awarded the Malaysia Rubber Export Promotion Council Industry Award 2015 - Malaysia Largest Exporter of Dry Rubber Products Award Category and Best Under Billion Awards (BUBA) 2015 - Best Return on Assets Category. These have enriched the recognition values of Wellcall as a rubber hose producer.



Sustainability Statement
[cont'd]

MARKET PLACE (CONT'D)

Wellcall also has the unwavering confidence in enhancing its values to its corporate customers, which employees are required to sign a letter of confidentiality to affirm our adherence in protecting the interest of our stakeholders. Wellcall practices the principals of good corporate governance in addition to complying with rules and regulations of the law. Our commitment to good corporate governance and the continuous improvement in corporate governance is further elaborated in the Corporate Governance Statement of this Annual Report.

WORK PLACE - EMPLOYEES

Wellcall believes that employees are one of its core pillars in contributing to the success of the Group. Human capital developments and retention are essential in energising the continuous improvements for our employees' development.

Wellcall has established on-going training programmes and team building programmes throughout the year for all level of employees on technical and non-technical aspects. Opportunities are also available for employees to excel in personal development by cross job training and multi-tasking.

Wellcall recognises the commitment and contribution by its employees. Therefore, Wellcall shares its achievements with its employees through rewards and appreciation that incorporates both fixed and variable elements, as well as short and long-term components via employees' enhancement scheme such as upgrading of employees' benefits as well as gatherings to enhance ties among employees.

Wellcall ensures the safety of its employees by providing a safe workplace and adequate safety resources as well as hostel facilities, where necessary. The management has also organised various activities such as emergency response and precaution, fire drill, as well as risk assessment and risk control to enhance employees' awareness on importance of personal health and safety.

COMMUNITY

Wellcall cares about the well-being of the community. Wellcall has been contributing to the community for charity activities both in cash and in kind mainly to the disable communities, local schools, old folks home, home of orphanage as well as cultural activities. Wellcall also gives support to the younger generation in developing their sportsmanship, which eventually helps to build their maturity and courage within.

Wellcall will continue to enhance its contribution activities as an on-going caring culture. Moving ahead, Wellcall would further encourage its employees to play an important role together in nurturing as a caring society for present and in future.



ADDITIONAL COMPLIANCE INFORMATION

1. NON-AUDIT FEES

The non-audit fees paid or payable to external auditors affiliated company or firm for the financial year ended 30th September, 2018 are as follows:

	Group RM'000	Company RM'000
O & W Tax Consultants Sdn. Bhd. – tax fee	8.8	2.3

2. MATERIAL CONTRACTS

During the financial year, there were no material contracts (not being contracts entered into the ordinary course of business) entered into by Wellcall Holdings Berhad ("the Company") and its subsidiary company ("the Group") involving Directors' and/or shareholders' interests.

3. REVALUATION POLICY

During the financial year, the Group does not have any revaluation policy on its landed properties.

4. UTILISATION OF PROCEEDS

There were no corporate proposals implemented during the financial year ended 30th September, 2018.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Group does not have any recurrent related party transactions of a revenue or trading nature for the financial year ended 30th September, 2018 except as disclosed in the note to the financial statements.

6. EMPLOYEE SHARE SCHEME

During the financial year, the Group did not grant any employee share scheme to any person.

7. MATERIAL CONTRACTS RELATING TO LOANS

During the financial year, there were no material contracts relating to loans entered into by the Group involving Directors' and/or shareholders' interests.

DIRECTORS' **RESPONSIBILITIES STATEMENT**

In accordance with the Companies Act, 2016 in Malaysia ("Act") and under Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed issuer is required to issue a statement explaining the Board of Directors' responsibilities for preparing the annual audited financial statements and about the statement on risk management and internal control of the listed issuer as a group in the annual report.

The Directors are responsible for the preparation of financial statements and in the opinion that the financial statements set out in this Annual Report 2018 are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the Act so as to give a true and fair view of the states of affairs of Wellcall Holdings Berhad ("the Company") and its subsidiary company ("the Group") as at 30th September, 2018 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The Directors are responsible for the statement on risk management and internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Directors have adopted appropriate accounting policies and applied them consistently, made reasonable and prudent judgments and estimates, ensured that all applicable approved accounting standards in Malaysia have been followed and prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy and to enable them to comply with the provisions of the Act.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

The Auditors' Responsibilities are stated in their Independent Auditors' Report to the Members.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2018

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30th September, 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company. The principal activity of the subsidiary company is disclosed in Note 6 to the financial statements. There have been no significant changes in these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit before taxation	42,843,786	28,650,564
Tax expense	(11,194,769)	(99,135)
Profit for the year	31,649,017	28,551,429

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

- i) a special interim single tier dividend of 1.55 sen per share on 497,947,555 ordinary shares amounting to RM7,718,190 in respect of the financial year ended 30th September, 2017 was paid on 22nd December, 2017.
- ii) a first interim single tier dividend of 1.55 sen per share on 497,947,555 ordinary shares amounting to RM7,718,190 in respect of the financial year ended 30th September, 2018 was paid on 29th March, 2018.
- iii) a second interim single tier dividend of 1.20 sen per share on 497,947,555 ordinary shares amounting to RM5,975,370 in respect of the financial year ended 30th September, 2018 was paid on 28th June, 2018.
- iv) a third interim single tier dividend of 1.30 sen per share on 497,947,555 ordinary shares amounting to RM6,473,320 in respect of the financial year ended 30th September, 2018 was paid on 28th September, 2018.
- v) a special interim single tier dividend of 1.40 sen per share on 497,947,555 ordinary shares amounting to RM6,971,266 in respect of the financial year ended 30th September, 2018 was declared on 23rd November, 2018 and paid on 21st December, 2018. This dividend has not been accounted for in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES

During the financial year, there was no issue of shares.

Directors' Report
For The Year Ended 30th September, 2018
[cont'd]

SHARE OPTION

During the financial year, the Company did not grant any option to any person to take up the unissued shares of the Company.

DIRECTORS

The directors in office during the financial year until the date of this report:

Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK*
Huang Sha, PMP*
Leong Hon Chong*
Huang Yu Fen* (appointed on 23rd May, 2018)
Huang Kai Lin* (alternate director to Leong Hon Chong)
Tan Kang Seng*
Tan Kang Foon
Yong Peng Tak
Goh Hoon Leum
Yang Chong Yaw, Alan
Dato' Haji Mohtar Bin Nong, DPMT, ASM, PJC, PJK, BLB

* A director who also holds office in the subsidiary company.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' shareholdings, particulars of directors' interests in the shares of the Company and its subsidiary company at the end of the financial year are as follows:

	Balance at 01.10.2017	Number of ordinary shares		Balance at 30.09.2018
		Bought	Sold	
Direct interest in ordinary shares of the Company				
Huang Sha, PMP	16,925,317	—	—	16,925,317
Leong Hon Chong	5,369,350	—	—	5,369,350
Huang Yu Fen	562,500	—	—	562,500
Tan Kang Seng	1,687,500	—	—	1,687,500
Yang Chong Yaw, Alan	1,012,500	—	—	1,012,500
Deemed interest in ordinary shares of the Company				
Huang Sha, PMP*	731,250	—	—	731,250
Huang Kai Lin*	2,186,850	—	—	2,186,850
Indirect interest in ordinary shares of the Company				
Maximum Perspective Sdn. Bhd. Tan Kang Seng	54,929,478	—	—	54,929,478

* Deemed interested in shares by virtue of Section 59(1)(c) of the Companies Act, 2016.

Directors' Report
For The Year Ended 30th September, 2018
[cont'd]

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of their interests in the shares of the Company, Huang Sha, PMP, Leong Hon Chong, Huang Yu Fen, Huang Kai Lin and Tan Kang Seng are also deemed interested in shares of its subsidiary company to the extent that Wellcall Holdings Berhad has an interest.

Save as disclosed above, none of the other directors holding office at 30th September, 2018 had any interest in the ordinary shares of the Company and its subsidiary company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Group and of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 19 of the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

The amount of insurance coverage during the financial year is RM2,000,000 for the directors and officers of the Company.

OTHER STATUTORY INFORMATION

Before the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position of the Group and of the Company were made out, the directors took reasonable steps:

- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and, the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and adequate allowance had been made doubtful debts; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

Directors' Report
For The Year Ended 30th September, 2018
[cont'd]

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

- i) which would render the amount written off as bad debts, or provided for as doubtful debts inadequate to any substantial extent;
- ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
- iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
- iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

- i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Details of significant event subsequent to the financial year end are disclosed in Note 28 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 17 of the financial statements.

Directors' Report
For The Year Ended 30th September, 2018
[cont'd]

AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

HUANG SHA, PMP
Director

LEONG HON CHONG
Director

Dated: 16th January, 2019
Kuala Lumpur

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251[2] OF THE COMPANIES ACT, 2016)

We, **HUANG SHA, PMP** and **LEONG HON CHONG**, two of the directors of **WELLCALL HOLDINGS BERHAD**, state that, in the opinion of the directors, the financial statements set out on pages 65 to 105 are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the states of affairs of the Group and of the Company as at 30th September, 2018 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors.

HUANG SHA, PMP
Director

LEONG HON CHONG
Director

Dated: 16th January, 2019
Kuala Lumpur

STATUTORY DECLARATION

(PURSUANT TO SECTION 251[1][B] OF THE COMPANIES ACT, 2016)

I, **LEONG HON CHONG**, being the director primarily responsible for the financial management of **WELLCALL HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 65 to 105 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)	
the abovenamed at Kuala Lumpur in)	
Wilayah Persekutuan on)	
16th January, 2019)	LEONG HON CHONG

Before me,
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wellcall Holdings Berhad, which comprise the statements of financial position as at 30th September, 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 65 to 105.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30th September, 2018, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company of the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above on the financial statements, the key audit matter that had the greatest effect on our audit was as follows:

Inventory

The Group has significant amount of inventories as disclosed in Note 8 to the financial statements, namely raw materials, work-in-progress and manufactured inventories. The Group measures inventories at lower of cost and net realisable value. Management judgement is required in estimating their net realisable value and determining the adequacy of write down of obsolete and slow-moving inventories.

How our audit addressed this matter:

- We have reviewed the design and implementation of key controls in inventories of the Group and evaluated the policies and procedures associated with monitoring, detection and write down of obsolete and slow-moving inventories;
- We have attended year-end physical inventories count performed by the Group to observe physical existence and condition of inventories; and
- We selected samples from inventories list to perform lower of cost and net realisable value test, and reviewed subsequent sales and purchases after the financial year.

Independent Auditors' Report
To The Members Of Wellcall Holdings Berhad
[cont'd]

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report and directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and directors' report and, in doing so, consider whether the annual report and directors' report are materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report and directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards presentation of financial statements in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report
To The Members Of Wellcall Holdings Berhad
[cont'd]

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ONG & WONG
AF 0241
Chartered Accountants

ONG KONG LAI
00494/06/2020 J
Chartered Accountant

Dated: 16th January, 2019
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER, 2018

	Note	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	60,274,070	59,768,697	–	–
Capital work-in-progress	5	644,156	–	–	–
Investments in subsidiary company	6	–	–	57,540,803	57,540,803
Other investment	7	10,000	10,000	–	–
		60,928,226	59,778,697	57,540,803	57,540,803
Current assets					
Inventories	8	18,872,709	14,712,271	–	–
Trade and other receivables	9	13,392,988	11,597,985	7,201,611	8,099,932
Tax recoverable		124,133	3,689,047	124,133	113,986
Cash and bank balances	10	37,262,849	39,239,094	14,283,719	12,733,537
		69,652,679	69,238,397	21,609,463	20,947,455
TOTAL ASSETS		130,580,905	129,017,094	79,150,266	78,488,258
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	68,836,509	68,836,509	68,836,509	68,836,509
Reserves	12	38,648,014	34,884,067	10,214,974	9,548,615
Total equity		107,484,523	103,720,576	79,051,483	78,385,124
Non-current liabilities					
Term loans	13	–	5,791,500	–	–
Deferred taxation	14	4,899,238	4,414,281	–	–
		4,899,238	10,205,781	–	–
Current liabilities					
Trade and other payables	15	16,625,303	12,516,737	98,783	103,134
Term loans	13	–	2,574,000	–	–
Tax payable		1,571,841	–	–	–
		18,197,144	15,090,737	98,783	103,134
Total liabilities		23,096,382	25,296,518	98,783	103,134
TOTAL EQUITY AND LIABILITIES		130,580,905	129,017,094	79,150,266	78,488,258

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH SEPTEMBER, 2018

	Note	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Revenue		171,123,729	159,133,488	29,400,000	31,950,000
Cost of sales		(116,050,703)	(100,101,323)	–	–
Gross profit		55,073,026	59,032,165	29,400,000	31,950,000
Other operating income	16	3,245,183	3,455,150	424,802	431,080
Administrative expenses		58,318,209 (10,567,000)	62,487,315 (9,177,171)	29,824,802 (1,174,238)	32,381,080 (1,128,871)
Selling and distribution costs		(4,139,344)	(4,119,174)	–	–
Other operating expenses		(133,985)	(432,547)	–	–
Profit from operations		43,477,880	48,758,423	28,650,564	31,252,209
Finance costs		(634,094)	(932,760)	–	–
Profit before taxation	17	42,843,786	47,825,663	28,650,564	31,252,209
Tax expense	20	(11,194,769)	(11,371,609)	(99,135)	(100,769)
Profit for the year		31,649,017	36,454,054	28,551,429	31,151,440
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		31,649,017	36,454,054	28,551,429	31,151,440
Earnings per share (sen)	21				
- Basic		6.36	7.32		
Dividend per share (sen)	22	5.60	8.45		

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH SEPTEMBER, 2018

	Note	<-- Attributable to Equity Holders of the Company -->			Total equity RM
		<-----Non-distributable ----->	Distributable		
		Share capital RM	Share premium RM	Retained profit RM	
At 1st October, 2016		66,393,008	2,443,501	29,053,792	97,890,301
Total comprehensive income for the year		–	–	36,454,054	36,454,054
Transition to no par value regime*		2,443,501	(2,443,501)	–	–
Dividends	22	–	–	(30,623,779)	(30,623,779)
At 30th September, 2017		68,836,509	–	34,884,067	103,720,576
Total comprehensive income for the year		–	–	31,649,017	31,649,017
Dividends	22	–	–	(27,885,070)	(27,885,070)
At 30th September, 2018		68,836,509	–	38,648,014	107,484,523

- * Effective from 31st January, 2017, the new Companies Act, 2016 ("the Act") abolished the concepts of authorized share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH SEPTEMBER, 2018

		<-- Attributable to Equity Holders of the Company -->			
		<-----Non-distributable ----->		Distributable	
	Note	Share capital RM	Share premium RM	Retained profit RM	Total equity RM
At 1st October, 2016		66,393,008	2,443,501	9,020,954	77,857,463
Total comprehensive income for the year		–	–	31,151,440	31,151,440
Transition to no par value regime*		2,443,501	(2,443,501)	–	–
Dividends	22	–	–	(30,623,779)	(30,623,779)
At 30th September, 2017		68,836,509	–	9,548,615	78,385,124
Total comprehensive income for the year		–	–	28,551,429	28,551,429
Dividends	22	–	–	(27,885,070)	(27,885,070)
At 30th September, 2018		68,836,509	–	10,214,974	79,051,483

* Effective from 31st January, 2017, the new Companies Act, 2016 ("the Act") abolished the concepts of authorized share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2018

	Note	Group 2018 RM	2017 RM	Company 2018 RM	2017 RM
CASH FLOWS FROM/(USED IN)					
OPERATING ACTIVITIES					
Profit before taxation		42,843,786	47,825,663	28,650,564	31,252,209
Adjustments for:					
Depreciation of property, plant and equipment		5,474,899	5,699,949	—	—
Unrealised (gain)/loss on foreign exchange		(23,127)	417,995	—	—
Gain on disposal of property, plant and equipment		(55,189)	(5,500)	—	—
Property, plant and equipment written off		133,985	14,552	—	—
Dividend income		(1,200)	(1,200)	—	—
Interest income		(910,627)	(856,059)	(424,802)	(431,080)
Interest expense		386,164	670,935	—	—
Operating profit before working capital changes		47,848,691	53,766,335	28,225,762	30,821,129
(Increase)/decrease in inventories		(4,160,438)	2,085,242	—	—
(Increase)/decrease in trade and other receivables		(1,729,821)	(4,409,938)	898,321	(149,932)
Increase/(decrease) in trade and other payables		4,030,070	(753,843)	(4,351)	(353,264)
Cash generated from operations		45,988,502	50,687,796	29,119,732	30,317,933
Tax refund		1,218	120,000	1,218	120,000
Tax paid		(5,574,275)	(6,796,000)	(110,500)	(93,500)
Interest received		910,627	856,059	424,802	431,080
Interest paid		(386,164)	(670,935)	—	—
Net cash generated from operating activities		40,939,908	44,196,920	29,435,252	30,775,513
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		55,189	5,500	—	—
Proceeds from disposal of investment	B	—	—	—	100
Dividend received		1,200	1,200	—	—
Capital work-in-progress		(644,156)	—	—	—
Purchase of property, plant and equipment		(6,114,257)	(1,014,331)	—	—
Net cash (used in)/from investing activities		(6,702,024)	(1,007,631)	—	100

Statements Of Cash Flows
For The Year Ended 30th September, 2018
[cont'd]

	Note	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
CASH FLOWS FROM/(USED IN)					
FINANCING ACTIVITIES					
Decrease in deposit pledged with licensed banks		–	600,000	–	–
Dividends paid		(27,885,070)	(30,623,779)	(27,885,070)	(30,623,779)
Repayment of term loans		(8,365,500)	(10,031,400)	–	–
Net cash used in financing activities		(36,250,570)	(40,055,179)	(27,885,070)	(30,623,779)
Net (decrease)/increase in cash and cash equivalents		(2,012,686)	3,134,110	1,550,182	151,834
Effect of exchange rate changes		36,441	(123,800)	–	–
Cash and cash equivalents at beginning of year		38,239,094	35,228,784	12,733,537	12,581,703
Cash and cash equivalents at end of year	A	36,262,849	38,239,094	14,283,719	12,733,537

NOTE

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following Statements of Financial Position amounts:

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Deposits with licensed banks	25,010,000	22,240,000	14,010,000	12,380,000
Cash and bank balances	12,252,849	16,999,094	273,719	353,537
	37,262,849	39,239,094	14,283,719	12,733,537
Less: Deposit pledged with licensed bank	(1,000,000)	(1,000,000)	–	–
	36,262,849	38,239,094	14,283,719	12,733,537

Statements Of Cash Flows
For The Year Ended 30th September, 2018
[cont'd]

NOTE (Cont'd)

B. DISPOSAL OF A SUBSIDIARY COMPANY

	Company 2017 RM
Property, plant and equipment	–
Trade and other receivables	–
Inventories	–
Cash and bank balances	100
Trade and other payables	–
<hr/>	
Total identified net assets disposed	100
Net proceeds from disposal	(100)
<hr/>	
Gain on disposal	–
<hr/>	
Proceeds from disposal	100
Cash and cash equivalents of subsidiary disposed off	–
<hr/>	
Cash flow on disposal, net of cash and cash equivalents of subsidiary disposed	100
<hr/>	

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30TH SEPTEMBER, 2018

1. GENERAL INFORMATION

The Company is principally engaged as an investment holding company. The principal activity of the subsidiary company is disclosed in Note 6 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office is located at No. 4-1, Kompleks Niaga Melaka Perdana, Jalan KNMP 3, Bukit Katil, 75450 Melaka.

The principal place at which business is carried on is located at Plot No. 48, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 30th September, 2018 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

(a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year except for the adoption of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1st January, 2017.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Annual Improvements to MFRSs 2014 - 2016 Cycle	1st January, 2017
Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative	1st January, 2017
Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1st January, 2017

The adoption of the above Standards and Amendments has no material impact to the financial statements of the Group and the Company.

Notes To The Financial Statements
30th September, 2018
[cont'd]**2. BASIS OF PREPARATION (CONT'D)****(b) Standards and Amendments Issued But Not Yet Effective**

At the date of authorisation for issue of the financial statements, the new and revised Standards and Amendments issued but not yet effective for the Group and the Company and not early adopted by the Group and the Company are as listed below:

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 2 Share Based Payment: Classification and Measurement of Share Based Payment Transactions	1st January, 2018
Amendments to MFRS 140 Investment Property: Transfers of Investment Property	1st January, 2018
MFRS 9 Financial Instruments 1st January, 2018	
MFRS 15 Revenue from Contracts with Customers and clarifications to MFRS 15	1st January, 2018
Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1st January, 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1st January, 2018
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Annual Improvements to MFRSs 2014 – 2016 Cycle	1st January, 2018
Amendments to MFRS 128 Investment in Associates and Joint Ventures: Annual Improvements to MFRSs 2014 – 2016 Cycle	1st January, 2018
MFRS 16 Leases	1st January, 2019
Amendments to MFRS 128: Long-term interests in Association and Joint Venture	1st January, 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1st January, 2019
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement	1st January, 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1st January, 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1st January, 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1st January, 2020
MFRS 17 Insurance Contracts	1st January, 2021
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Notes To The Financial Statements
30th September, 2018
[cont'd]

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective (Cont'd)

The Group and the Company is expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not to be expected to have any material impact to financial statements of the Group and the Company except as mentioned below:

(i) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January, 2018 with early adoption permitted. The directors do not expect the application of MFRS 15 to have a significant impact on the financial statements of the Group and the Company.

(ii) MFRS 9 Financial Instruments

MFRS 9 will replace MFRS 139, Financial Instruments: Recognition and Measurement.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flow and the cash flow represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than to profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

This Standard will come into effect on or after 1st January, 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

Notes To The Financial Statements
30th September, 2018
[cont'd]

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective (Cont'd)

(iii) MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The Standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117 Leases.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January, 2019 with early adoption permitted.

The Group and the Company plan to assess the potential effect of MFRS 16 on their financial statements in the next financial year.

(c) Basis of Measurement

The financial statements of the Group and of the Company have been prepared in accordance with MFRSs and the provisions of the Companies Act, 2016 in Malaysia. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

i) Business Combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiary company as at the reporting date. The financial statements of the subsidiary company used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary company is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisition of subsidiary company is accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

i) Business Combinations (Cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 Financial Instrument: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

ii) Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiary company not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, if any, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Foreign Currencies****i) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii) Foreign Currency Transactions

Transactions in foreign currencies are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities of the Group are as follows:

	2018 RM	2017 RM
1 United States Dollar (USD)	4.09	4.23
1 Euro (EUR)	4.76	4.98

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress consists of machinery and building under construction for intended use as manufacturing of rubber hose and staff amenities. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment and Depreciation (Cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	51 - 99 years
Factory buildings	38 - 60 years
Electrical installation	10% - 15%
Fire fighting installation	10% - 15%
Furniture and fittings	15%
Motor vehicles	15%
Office equipment	15%
Plant and machinery	7% - 15%
Renovation	2%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of an asset, and is recognised in the statement of comprehensive income.

(d) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Subsidiary Company**

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiary company is accounted for at cost less impairment losses, if any.

(f) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Assets (Cont'd)

iii) Held-to-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

iv) Available-for-Sale Financial Assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group classified its quoted investments as available-for-sale financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Impairment of Financial Assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

ii) Available-for-Sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

i) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Financial Liabilities (Cont'd)****ii) Other Financial Liabilities**

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(m) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee Benefits

i) Short Term Benefits

Wages, salaries, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined Contribution Plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The company in the Group make contributions to the Employee Provident Fund ("E.P.F.") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(o) Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

i) Sale of Goods

Revenue from sales of goods is measured at the fair value of the receivable consideration and is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

iv) Rental Income

Rental income is recognised on accrued basis.

(p) Income Taxes

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(p) Income Taxes (Cont'd)****ii) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes To The Financial Statements
30th September, 2018
[cont'd]

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

(r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(s) Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of Investment in Subsidiary Company

The management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation or based on total shareholders' equity of the subsidiary company.

The carrying amount of investment in subsidiary company as at 30th September, 2018 was RM57,540,803 (2017: RM57,540,803). Further details are disclosed in Note 6. Based on management's review, no further adjustment for impairment is required for the investment in subsidiary company by the Company during the current year.

Notes To The Financial Statements
30th September, 2018
[cont'd]**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(s) Significant Accounting Judgements and Estimates (Cont'd)**ii) Key Sources of Estimation Uncertainty (Cont'd)

b) Impairment of Loans and Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 9.

c) Useful Lives of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. The useful lives and annual depreciation rates of these assets are disclosed in Notes 3(c) These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the reporting date is disclosed in Note 4.

d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Notes To The Financial Statements
30th September, 2018
[cont'd]

4. PROPERTY, PLANT AND EQUIPMENT

	As at 1.10.2017 RM	Addition RM	Disposal/ Retirement RM	As at 30.9.2018 RM
Group				
2018				
COST				
Leasehold land	7,773,704	—	—	7,773,704
Factory buildings	25,544,655	711,000	(211,092)	26,044,563
Electrical installation	6,330,921	—	—	6,330,921
Fire fighting installation	2,442,737	—	—	2,442,737
Furniture and fittings	442,741	7,950	(9,427)	441,264
Motor vehicles	2,565,229	368,663	(297,410)	2,636,482
Office equipment	657,268	52,165	(1,960)	707,473
Plant and machinery	68,484,099	4,974,479	(136,454)	73,322,124
Renovation	16,384	—	—	16,384
	114,257,738	6,114,257	(656,343)	119,715,652
	As at 1.10.2017 RM	Charge for the year RM	Disposal/ Retirement RM	As at 30.9.2018 RM
ACCUMULATED DEPRECIATION				
Leasehold land	935,432	99,982	—	1,035,414
Factory buildings	3,632,249	526,305	(77,107)	4,081,447
Electrical installation	3,576,548	378,775	—	3,955,323
Fire fighting installation	1,287,850	171,045	—	1,458,895
Furniture and fittings	282,067	47,092	(9,427)	319,732
Motor vehicles	1,969,767	238,846	(297,410)	1,911,203
Office equipment	433,399	60,524	(1,960)	491,963
Plant and machinery	42,371,034	3,952,002	(136,454)	46,186,582
Renovation	695	328	—	1,023
	54,489,041	5,474,899	(522,358)	59,441,582
				As at 30.9.2018 RM
NET CARRYING AMOUNT				
Leasehold land				6,738,290
Factory buildings				21,963,116
Electrical installation				2,375,598
Fire fighting installation				983,842
Furniture and fittings				121,532
Motor vehicles				725,279
Office equipment				215,510
Plant and machinery				27,135,542
Renovation				15,361
				60,274,070

Notes To The Financial Statements
30th September, 2018
[cont'd]

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	As at 1.10.2016 RM	Addition RM	Disposal/ Retirement RM	As at 30.9.2017 RM
Group				
2017				
COST				
Leasehold land	7,773,704	—	—	7,773,704
Factory buildings	25,529,155	15,500	—	25,544,655
Electrical installation	6,330,921	—	—	6,330,921
Fire fighting installation	2,442,737	—	—	2,442,737
Furniture and fittings	564,139	9,538	(130,936)	442,741
Motor vehicles	2,443,454	200,885	(79,110)	2,565,229
Office equipment	624,016	33,252	—	657,268
Plant and machinery	67,756,343	755,156	(27,400)	68,484,099
Renovation	16,384	—	—	16,384
	113,480,853	1,014,331	(237,446)	114,257,738

	As at 1.10.2016 RM	Charge for the year RM	Disposal/ Retirement RM	As at 30.9.2017 RM
ACCUMULATED DEPRECIATION				
Leasehold land	835,450	99,982	—	935,432
Factory buildings	3,123,652	508,597	—	3,632,249
Electrical installation	3,077,551	498,997	—	3,576,548
Fire fighting installation	1,109,860	177,990	—	1,287,850
Furniture and fittings	367,245	45,758	(130,936)	282,067
Motor vehicles	1,826,669	222,208	(79,110)	1,969,767
Office equipment	374,104	59,295	—	433,399
Plant and machinery	38,297,088	4,086,794	(12,848)	42,371,034
Renovation	367	328	—	695
	49,011,986	5,699,949	(222,894)	54,489,041

	As at 30.9.2017 RM
NET CARRYING AMOUNT	
Leasehold land	6,838,272
Factory buildings	21,912,406
Electrical installation	2,754,373
Fire fighting installation	1,154,887
Furniture and fittings	160,674
Motor vehicles	595,462
Office equipment	223,869
Plant and machinery	26,113,065
Renovation	15,689
	59,768,697

Notes To The Financial Statements
30th September, 2018
[cont'd]

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Certain leasehold land and factory building of the Group with net carrying amount of RM17,412,750 (2017: RM17,734,936) has been pledged as security to financial institution for banking facilities.

The depreciation was charged to the followings:

	2018 RM	Group 2017 RM
Factory overheads	5,128,437	5,372,687
Administrative expenses	346,462	327,262
	5,474,899	5,699,949

5. CAPITAL WORK-IN-PROGRESS

	2018 RM	Group 2017 RM
At cost:		
Building	271,465	—
Plant and machinery	372,691	—
	644,156	—

6. INVESTMENT IN SUBSIDIARY COMPANY

	2018 RM	Company 2017 RM
Unquoted shares, at cost	57,540,803	57,540,803

The subsidiary company is as follow:

	Country of incorporation	Principal activity	Effective equity interest 2018	2017
Wellcall Hose (M) Sdn. Bhd.	Malaysia	Manufacturing of rubber hose and related products	100%	100%

Notes To The Financial Statements
30th September, 2018
[cont'd]**7. OTHER INVESTMENT**

	2018 RM	Group 2017 RM
Unquoted shares in Malaysia, at cost	10,000	10,000

8. INVENTORIES

	2018 RM	Group 2017 RM
At cost:		
Raw materials	11,154,939	8,426,384
Work-in-progress	1,645,790	1,461,446
Finished goods	6,071,980	4,824,441
	18,872,709	14,712,271

9. TRADE AND OTHER RECEIVABLES

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Trade receivables	11,173,473	9,788,266	–	–
Amount due from subsidiary company	–	–	7,200,000	8,099,932
Other receivables	495,513	122,858	–	–
Deposits	879,642	1,686,411	–	–
Prepayments	844,360	450	1,611	–
	13,392,988	11,597,985	7,201,611	8,099,932

Trade receivables are non-interest bearing and are generally on 30 to 90 (2017: 30 to 90) days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes To The Financial Statements
30th September, 2018
[cont'd]

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2018 RM	Group 2017 RM
Neither past due nor impaired	5,995,748	5,551,668
Due but not impaired		
1 - 30 days	4,324,633	3,195,138
31 - 60 days	441,676	776,260
61 - 90 days	2,251	230,136
91 days and above	409,165	35,064
	5,177,725	4,236,598
	11,173,473	9,788,266

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM5,177,725 (2017: RM4,236,598) that are past due at the reporting date but not impaired. Based on historical payment received, the Group believes that no impairment allowance is necessary. These receivables are unsecured.

(b) Amount Due From Subsidiary Company

This amount arises from dividend income as disclosed in Note 22.

This amount is unsecured, non-interest bearing and is receivable on demand.

Notes To The Financial Statements
30th September, 2018
[cont'd]**10. CASH AND BANK BALANCES**

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Cash in hand and at banks	12,252,849	16,999,094	273,719	353,537
Deposits with licensed banks	25,010,000	22,240,000	14,010,000	12,380,000
	37,262,849	39,239,094	14,283,719	12,733,537

Deposits with licensed banks comprise of fixed deposits and short term deposits.

Deposits amounted to RM1,000,000 (2017: RM1,000,000) were pledged with licensed bank as securities for banking facilities utilised by the subsidiary company.

At the end of the financial year, the remaining fixed deposits and short term deposits earned interest rates ranging from 2.90% to 3.84% (2017: 2.90% to 3.50%) per annum and have average maturities of 2 to 75 days (2017: 10 to 27 days).

11. SHARE CAPITAL

	Group and Company		Amount	
	2018 RM	2017 RM	2018 RM	2017 RM
Issued and fully paid:				
At 1st October	497,947,555	331,965,037	68,836,509	66,393,008
Share split	—	165,982,518	—	—
*Transition to no-par value regime	—	—	—	2,443,501
At 30th September	497,947,555	497,947,555	68,836,509	68,836,509

* Effective from 31st January, 2017, the new Companies Act, 2016 ("the Act") abolished the concepts of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Notes To The Financial Statements
30th September, 2018
[cont'd]

12. RESERVES

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Retained profit	38,648,014	34,884,067	10,214,974	9,548,615

13. TERM LOANS

	2018 RM	Group 2017 RM
Term loans - RM	—	—
- USD	—	8,365,500
Payable within one year - RM	—	8,365,500
- USD	—	(2,574,000)
Payable after one year	—	5,791,500
The breakdown of amount payable after one year is as follows:		
Between two to five years - RM	—	—
- USD	—	5,791,500
	—	5,791,500
	%	%
Term loans interest - RM	—	4.45
- USD	4.16 - 5.19	3.72 - 4.16

The term loan is repayable quarterly by equal installment of USD 150,000 upon full utilisation. As at 30th September, 2018, the term loan (USD) has been fully settled.

The term loan is secured by way of first party charge over the leasehold land and building which were held under HS(D) 212117, PT 22551, Mukim Sungai Terap, Daerah Kinta, Perak.

Notes To The Financial Statements
30th September, 2018
[cont'd]**14. DEFERRED TAXATION**

	2018 RM	Group 2017 RM
At beginning of year	4,414,281	4,390,242
Transfer from statement of profit or loss (Note 20)	484,957	24,039
At end of year	4,899,238	4,414,281
The deferred tax liabilities recognised is in respect of the following:		
- Temporary difference between depreciation and capital allowance	4,899,238	4,414,281

15. TRADE AND OTHER PAYABLES

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Trade payables	5,872,753	4,777,549	—	—
Other payables	8,543,851	5,755,577	78,500	92,534
Deposit received	222,329	—	—	—
Accruals	1,986,370	1,983,611	20,283	10,600
	16,625,303	12,516,737	98,783	103,134

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 (2017: 30 to 60) days term.

(b) Other Payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 (2017: 90) days term.

Notes To The Financial Statements
30th September, 2018
[cont'd]

16. OTHER OPERATING INCOME

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Dividend income	1,200	1,200	—	—
Gain on disposal of property, plant and equipment	55,189	5,500	—	—
Gain on foreign exchange				
- Realised	2,003,308	2,536,978	—	—
- Unrealised	23,127	—	—	—
Interest income				
- Fixed deposits	757,474	693,336	419,788	426,631
- Repo	153,153	162,723	5,014	4,449
Rental income	48,866	42,845	—	—
Other income	202,866	12,568	—	—
	3,245,183	3,455,150	424,802	431,080

17. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before taxation is arrived at after charging:				
Auditors' remuneration	41,500	41,500	10,000	10,000
Depreciation of property, plant and equipment	5,474,899	5,699,949	—	—
Directors' remuneration (Note 19)	6,197,773	5,872,149	717,700	717,000
Employee benefits expenses (Note 18)	14,648,659	12,746,073	—	—
Finance cost				
- Term loan interest	386,164	670,935	—	—
Property, plant and equipment written off	133,985	14,552	—	—
Rental of office equipment	4,920	3,600	—	—
Unrealised loss on foreign exchange	—	417,995	—	—

Notes To The Financial Statements
30th September, 2018
[cont'd]**18. EMPLOYEE BENEFITS EXPENSES**

	2018 RM	Group 2017 RM
Salaries, wages, bonus and others	13,932,165	12,036,304
E.P.F.	622,020	622,638
E.I.S.	7,118	–
Socso	87,356	87,131
	14,648,659	12,746,073

19. DIRECTORS' REMUNERATION

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Fees	1,052,000	1,052,000	682,000	682,000
Remuneration	2,441,805	2,369,829	–	–
Allowance	63,700	73,000	35,700	35,000
Bonus	2,574,520	2,318,520	–	–
E.P.F.	65,748	58,800	–	–
	6,197,773	5,872,149	717,700	717,000

20. TAX EXPENSE

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Malaysian income tax				
- Current year	10,170,963	11,305,769	99,122	100,769
- Underprovision in prior year	538,849	41,801	13	–
	10,709,812	11,347,570	99,135	100,769
Deferred taxation (Note 14)	484,957	24,039	–	–
Income tax expense recognised in statement of comprehensive income	11,194,769	11,371,609	99,135	100,769

Income tax expenses are recognised in statement of profit or loss and other comprehensive income.

Notes To The Financial Statements
30th September, 2018
[cont'd]

20. TAX EXPENSE (CONT'D)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the years ended 30th September are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	42,843,786	47,825,663	28,650,564	31,252,209
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	10,282,508	11,478,159	6,876,135	7,500,530
Income not subject to tax	(288)	(288)	(7,056,000)	(7,668,000)
Non-deductible expenses	387,212	399,504	278,987	268,239
Underprovision of income tax in prior year	538,849	41,801	13	—
Exempted chargeable business income	—	(547,567)	—	—
Overprovision of deferred tax in previous year	(13,512)	—	—	—
	11,194,769	11,371,609	99,135	100,769

21. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average amount of ordinary shares issued during the financial year.

	Group	
	2018 RM	2017 RM
Profit for the year attributable to equity holders of the Company (RM)	31,649,017	36,454,054
Number of ordinary shares in issue at the beginning year	497,947,555	331,965,037
Effect of shares split during the year	—	165,982,518
Weighted average number of shares in issue	497,947,555	497,947,555
Basic earnings per share (sen)	6.36	7.32

(b) Diluted Earnings Per Share

There is no dilution of earnings per share during the financial year.

Notes To The Financial Statements
30th September, 2018
[cont'd]**22. DIVIDENDS**

During the financial year, the Company declared and paid dividend as follows:

	2018		2017	
	Net dividend per share Sen	Amount RM	Net dividend per share Sen	Amount RM
Special interim single tier dividend paid	1.55	7,718,190	2.30	7,635,196
First interim single tier dividend paid	1.55	7,718,190	2.30	7,635,197
Second interim single tier dividend paid	1.20	5,975,370	2.30	7,635,196
Third interim single tier dividend paid	1.30	6,473,320	1.55*	7,718,190
Total	5.60	27,885,070	8.45	30,623,779

Subsequent to the financial year, a special interim single tier dividend of 1.40 sen per share on 497,947,555 ordinary shares amounting to RM6,971,266 in respect of the financial year ended 30th September, 2018 was declared on 23rd November, 2018 and paid on 21st December, 2018. This dividend has not been accounted for in the financial statements.

* The third interim single tier dividend in respect of the financial year ended 30th September, 2017 was declared after the share split exercise on 14th September, 2017.

23. CAPITAL COMMITMENTS

	2018 RM	Group 2017 RM
Property, plant and equipment:		
Approved and contracted for	1,385,621	—

Notes To The Financial Statements
30th September, 2018
[cont'd]

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of Fair Value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	9
Deposits with licensed banks	10
Term loans	13
Trade and other payables	15

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are re-priced to market interest rates on or near the reporting date.

Non-current trade receivables and payables

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes To The Financial Statements
30th September, 2018
[cont'd]**25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(a) Credit Risk (Cont'd)**Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 9 to the financial statements.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis.

At the reporting date, there was no significant concentration of credit risk for the Group and the Company other than those receivables as analysed in Note 9 to the financial statements.

Financial assets that are not impaired

Information regarding trade and other receivables that are not impaired is disclosed in Note 9 to the financial statements.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<----- 30.9.2018 ----->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial Liabilities			
Trade and other payables	16,625,303	—	16,625,303
Company			
Financial Liabilities			
Trade and other payables	98,783	—	98,783

Notes To The Financial Statements
30th September, 2018
[cont'd]

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities (cont'd)

	<----- 30.9.2017 ----->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial Liabilities			
Trade and other payables	12,516,737	—	12,516,737
Term loans	2,574,000	5,791,500	8,365,500
Company			
Financial Liabilities			
Trade and other payables	103,134	—	103,134

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fix and floating rate of borrowings.

The following tables set out the carrying amounts, effective interest rates as at the reporting date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Effective interest rate %	Total RM	Within 1 year RM
2018			
Financial liabilities			
Term loans	4.16 - 5.19	—	—
2017			
Financial liabilities			
Term loans	3.72 - 4.45	8,365,500	2,574,000

Notes To The Financial Statements
30th September, 2018
[cont'd]**25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(d) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar and Euro Dollar ("USD" and "EUR"). Foreign exchange exposures in these transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and liabilities of the Group that are not denominated in the functional currency are as follows:

	2018 RM	2017 RM
United States Dollar ("USD")	11,376,389	16,646,419
Euro ("EUR")	2,142,633	1,078,738
	13,519,022	17,725,157

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Gain/(Loss) in profit or loss	
		2018 RM	2017 RM
USD/RM	- strengthened 10%	1,137,639	1,664,642
	- weakened 10%	(1,137,639)	(1,664,642)
EUR/RM	- strengthened 10%	214,263	107,874
	- weakened 10%	(214,263)	(107,874)

26. SIGNIFICANT RELATED PARTY TRANSACTION

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction between the Group and related party took place at terms agreed between the parties during the financial year:

	2018 RM	Company 2017 RM
Dividend income from subsidiary company	29,400,000	31,950,000

Notes To The Financial Statements
30th September, 2018
[cont'd]**27. SEGMENT INFORMATION**

Segment information is presented in respect of the Group's business and geographical segments based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business Segments

The Group's business segments mainly comprise the manufacture and sale of rubber hose and related products.

Business segmental information has therefore not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation, amortisation and non cash expenses are mainly confined to one business segment.

Geographical Segments

The manufacturing and investment holding segments are operated solely in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers while segment assets are based on the geographical location of assets.

	Revenue from external customers RM'000	Carrying amount of segment assets RM'000	Capital expenditure RM'000
2018			
Geographical location:			
Malaysia	19,299	130,571	6,114
Middle East	16,307	—	—
Europe	29,443	—	—
USA/Canada	43,115	—	—
Australia/New Zealand	20,449	—	—
Asia	25,736	—	—
South America	13,512	—	—
Africa	3,263	—	—
Total	171,124	130,571	6,114
2017			
Geographical location:			
Malaysia	16,201	129,007	1,014
Middle East	18,240	—	—
Europe	28,310	—	—
USA/Canada	32,569	—	—
Australia/New Zealand	16,509	—	—
Asia	27,524	—	—
South America	16,386	—	—
Africa	3,394	—	—
Total	159,133	129,007	1,014

Notes To The Financial Statements
30th September, 2018
[cont'd]

28. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

On 23rd October, 2018, the subsidiary company entered into a Sales and Purchase Agreement to purchase a property with a single storey factory for a total purchase consideration of RM3,000,000.

29. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 30th September, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 16th January, 2019.

SUMMARY OF LANDED PROPERTIES AND BUILDINGS HELD BY THE GROUP

Location / Title No.	Existing Usage	Age of Building (Years)	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	Tenure	Carrying Amount As at 30 Sep 2018 (RM)	Year of Acquisition
Plot 48, P.T. 8290, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan.	Industrial land erected with a block of factory / office building and canteen, which is currently used by Wellcall Hose (M) Sdn. Bhd. for the purpose of carrying out manufacturing activities.	22	217,600	150,000	Leasehold expiring on 6th May, 2056	4,999,716	1997
Held Under: HS(D) 48717 P.T. 8290 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.							
P.T. 8300, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan.	Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities.	12	286,973	190,000	Leasehold expiring on 6th May, 2056	6,939,330	2007
Held Under: HS(D) 48727 P.T. 8300 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.							
P.T. 22551, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan.	Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities.	4	370,260	186,000	Leasehold expiring on 31st July, 2111	16,762,360	2014
Held Under: Geran HS(D) 5053/82 for Lot P.T. 744 situated in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.							

ANALYSIS OF SHAREHOLDINGS

AS AT 21 DECEMBER 2018

Issued and fully paid-up	:	RM68,836,509.40 divided into 497,947,555 Ordinary Shares
Class of shares	:	Ordinary Share
Voting Rights	:	1 vote per Ordinary Share
Number of Shareholders as at 21 December 2018	:	3,636

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	116	3.19	5,940	0.00***
100 – 1,000	305	8.39	173,661	0.03
1,001 – 10,000	1,669	45.90	8,206,033	1.65
10,001 – 100,000	1,253	34.46	38,777,091	7.79
100,001 – 24,897,377(*)	291	8.00	395,855,352	79.50
24,897,378 and above (**)	2	0.06	54,929,478	11.03
Total	3,636	100.00	497,947,555	100.00

Note :

- (*) means less than 5% of issued and paid-up share capital
 (**) means 5% and above of issued and paid-up share capital
 (***) means negligible

SUBSTANTIAL SHAREHOLDERS AS AT 21 DECEMBER 2018

The Substantial Shareholders of Wellcall Holdings Berhad (holding 5% or more of the capital) based on the Register of Substantial Shareholdings of the Company and their respective shareholdings are as follows :-

Substantial Shareholders	Direct interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Maximum Perspective Sdn. Bhd.	54,929,478 ^o	11.03	—	—
Tan Kang Seng	1,687,500 [#]	0.34	54,929,478 [^]	11.03

Notes :

- ([#]) 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.
- (^o) 54,929,478 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd. for 30,039,478 shares and RHB Nominees (Tempatan) Sdn. Bhd. Bank of China (Malaysia) Berhad pledged securities account for Maximum Perspective Sdn. Bhd. for 24,890,000 shares.
- ([^]) Deemed interested by virtue of Section 8(4)(c) of the Companies Act, 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd. for 30,039,478 shares and RHB Nominees (Tempatan) Sdn. Bhd. Bank of China (Malaysia) Berhad pledged securities account for Maximum Perspective Sdn. Bhd. for 24,890,000 shares.

Analysis Of Shareholdings
As At 21 December 2018
[cont'd]

DIRECTORS' SHAREHOLDINGS AS AT 21 DECEMBER 2018

Directors	Direct interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Ng Peng Hong @ Ng Peng Hay	—	—	—	—
Huang Sha	16,925,317	3.40	731,250*	0.15
Leong Hon Chong	5,369,350	1.08	—	—
Huang Yu Fen	562,500	0.11	—	—
Huang Kai Lin (Alternate Director to Leong Hon Chong)	—	—	2,186,850@	0.44
Tan Kang Seng	1,687,500#	0.34	54,929,478^	11.03
Tan Kang Foon	—	—	—	—
Yong Peng Tak	—	—	—	—
Goh Hoon Leum	—	—	—	—
Yang Chong Yaw, Alan	1,012,500	0.20	—	—
Dato' Haji Mohtar Bin Nong	—	—	—	—

Notes :

- (*) Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016, through the shareholding of his children in the Company.
- (@) Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016, through the shareholding of his spouse in the Company.
- (#) 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.
- (^) Deemed interested by virtue of Section 8(4)(c) of the Companies Act, 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd. for 30,039,478 shares and RHB Nominees (Tempatan) Sdn. Bhd. Bank of China (Malaysia) Berhad pledged securities account for Maximum Perspective Sdn. Bhd. for 24,890,000 shares.

DIRECTORS' INTERESTS IN RELATED CORPORATIONS AS AT 21 DECEMBER 2018

By virtue of their interests in the shares of the Company, Huang Sha, Leong Hon Chong, Huang Yu Fen, Huang Kai Lin and Tan Kang Seng are deemed interested in shares of the Company's subsidiary to the extent the Company has an interest.

None of the other directors in office had any interest in shares in the Company's subsidiary or related corporation as at 21 December 2018.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES AS AT 21 DECEMBER 2018

The Company and/or its subsidiary did not issue any options, warrants or convertible securities to the directors of the Company for the financial year ended 30 September 2018.

Analysis Of Shareholdings
As At 21 December 2018
[cont'd]**THIRTY LARGEST SHAREHOLDERS AS AT 21 DECEMBER 2018**

No	Shareholders	No. of Shares	%
1	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAXIMUM PERSPECTIVE SDN BHD (CCTS)	30,039,478	6.03
2	RHB NOMINEES (TEMPATAN) SDN BHD BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR MAXIMUM PERSPECTIVE SDN. BHD.	24,890,000	5.00
3	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	24,251,775	4.87
4	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	24,169,105	4.85
5	HSBC NOMINEES (ASING) SDN BHD TNTC FOR MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.	22,958,700	4.61
6	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)	20,760,000	4.17
7	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	18,756,950	3.77
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	17,071,500	3.43
9	HUANG SHA	16,925,317	3.40
10	HSBC NOMINEES (ASING) SDN BHD BNY MELLON FOR ONTARIO PENSION BOARD	16,266,400	3.27
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	12,972,850	2.61
12	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	11,349,500	2.28
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	8,602,100	1.73
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	7,861,975	1.58
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	7,689,955	1.54
16	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHO KIM WING (CCTS)	7,565,550	1.52
17	UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR THE LEGACY PARTNERS INTERNATIONAL LIMITED	7,000,000	1.41
18	ALJEAN TIO PUEY JIN	6,019,350	1.21
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	6,000,000	1.20
20	AMANAHRAYA TRUSTEES BERHAD PB SMALLCAP GROWTH FUND	5,597,400	1.12
21	LEONG HON CHONG	5,369,350	1.08

Analysis Of Shareholdings
As At 21 December 2018
[cont'd]

THIRTY LARGEST SHAREHOLDERS AS AT 21 DECEMBER 2018 (CONT'D)

No	Shareholders	No. of Shares	%
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG KIAH YEOW	4,420,000	0.89
23	CHENG SHU NU	4,417,375	0.89
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	4,042,500	0.81
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GEOK LAN	3,417,700	0.69
26	AMANAH RAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,376,650	0.68
27	CHIU MING TE	3,254,375	0.65
28	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	3,231,850	0.65
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	2,713,200	0.54
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI)	2,700,000	0.54

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("13th AGM") of Wellcall Holdings Berhad ("the Company") will be held at The Pines Hotel, Meeting Room R1, Level 6, Tower A, Jaya 99, No. 99, Jalan Tun Sri Lanang, 75100 Melaka on Monday, 25 February 2019 at 10.00 a.m., for the following purposes :-

AGENDA

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 September 2018 together with the Reports of the Directors and Auditors thereon. **(Please refer Note 1)**
2. To approve the payment of the Directors' Fees amounting to RM682,000.00 for the financial year ended 30 September 2018. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' remuneration (excluding Directors' Fees) to Non-Executive Directors of the Company of an amount up to RM130,000.00 for the period from 1 March 2019 until the next Annual General Meeting of the Company held in 2020. **(Ordinary Resolution 2)**
4. To approve the aggregate Directors' Fees payable to the Directors of the Company of an amount up to RM682,000.00 for the financial year ending 30 September 2019. **(Ordinary Resolution 3)**
5. To re-elect Datuk Ng Peng Hong @ Ng Peng Hay, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association. **(Ordinary Resolution 4)**
6. To re-elect Mr. Huang Sha, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association. **(Ordinary Resolution 5)**
7. To re-elect Mr. Yong Peng Tak, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association. **(Ordinary Resolution 6)**
8. To re-appoint Ms. Huang Yu Fen, who retires and being eligible, offers herself for re-appointment in accordance with Article 97 of the Company's Articles of Association. **(Ordinary Resolution 7)**
9. To re-appoint Messrs Ong & Wong as Auditors of the Company for the financial year ending 30 September 2019 and to authorise the Directors to deliberate on the Auditors' remuneration. **(Ordinary Resolution 8)**

Notice Of
Annual General Meeting
[cont'd]

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions :-

10. Proposed Continuation of Office as Independent Non-Executive Director

THAT Mr. Yang Chong Yaw, Alan, having served as Independent Non-Executive Director for a cumulative term of more than nine (9) years, continue to act as the Independent Non-Executive Director of the Company.

(Ordinary Resolution 9)

11. Proposed Continuation of Office as Independent Non-Executive Director

THAT Mr. Goh Hoon Leum, having served as Independent Non-Executive Director for a cumulative term of nine (9) years on 8 December 2019, continue to act as the Independent Non-Executive Director of the Company.

(Ordinary Resolution 10)

12. Authority to Issue Share Under Sections 75 and 76 of the Companies Act, 2016.

"THAT subject always to the Companies Act, 2016, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting of the Company to such persons and upon such terms and conditions for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued."

(Ordinary Resolution 11)

13. Proposed Adoption of New Constitution of the Company.

"THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in "Appendix A" despatched together with the Company's Annual Report 2018 be and is hereby adopted as the Constitution of the Company ("Proposed Adoption"); AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Adoption."

(Special Resolution)

14. To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (MAICSA 7018590)
CHUA SIEW YIN (MAICSA 7065531)
Company Secretaries

Melaka
Dated : 25 January 2019

Notice Of
Annual General Meeting
[cont'd]

Notes to the Notice of 13th AGM :-

1. Item 1 of the Agenda
This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 in Malaysia requires that Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.

2. Item 2 of the Agenda
Article 98 of the Company's Articles of Association provides that fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting. Therefore, shareholders' approval is required for the determination and payment of Directors' Fees amounting to RM682,000.00 for the financial year ended 30 September 2018.

3. Item 3 of the Agenda
Section 230(1) of the Companies Act, 2016 provides that the fees of the directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at the 13th AGM for the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Non-Executive Directors of the Company for the period from 1 March 2019 until the next Annual General Meeting of the Company under Ordinary Resolution 2.

The current Directors' Remuneration (excluding Directors' Fees) payable to the Non-Executive Directors of the Company comprises of meeting allowances and other emoluments.

In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board of Directors ("the Board") considered various factors including the number of scheduled meetings for the Board, Board Committees and general meetings of the Company as well as the number of Directors involved in these meetings.

4. Item 4 of the Agenda
The quantum of the Directors' Fees payable by the Company to all the Directors of the Company not exceeding RM682,000.00 per annum for the financial year ending 30 September 2019. The Proposed Ordinary Resolution 3, if passed, will authorise the payment of the Directors' Fees to all the Directors of the Company for the financial year ending 30 September 2019 pursuant to Article 98 of the Company's Articles of Association.

5. Items 5, 6 and 7 of the Agenda
Article 94 of the Company's Articles of Association provides that one-third (1/3) of the Directors, for the time being, shall retire by rotation at an Annual General Meeting of the Company. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. The profile of Datuk Ng Peng Hong @ Ng Peng Hay, Mr. Huang Sha and Mr. Yong Peng Tak, the Directors who are standing for re-election as per Agendas 5 to 7 of the notice of the 13th AGM are set out in the Annual Report 2018.

6. Items 8 of the Agenda
Article 97 of the Company's Articles of Association provides that any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election. Ms. Huang Yu Fen was appointed on 23 May 2018. She shall retire and eligible for re-appointment at the 13th AGM. The profile of Ms. Huang Yu Fen who is standing for re-election as per Agenda 8 of the notice of the 13th AGM are set out in the Annual Report 2018.

7. Item 9 of the Agenda
The Audit Committee and the Board have considered the re-appointment of Messrs Ong & Wong as Auditors of the Company and collectively agreed that Messrs Ong & Wong have met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notice Of
Annual General Meeting
[cont'd]

Proxy

8. *A member of the Company who is entitled to attend, speak and vote at this 13th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*
9. *A member of the Company shall not be entitled to appoint more than one (1) proxy to attend, speak and vote at the same meeting.*
10. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.*
11. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

12. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*
13. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the Registered Office of the Company at No. 4-1, Kompleks Niaga Melaka Perdana, Jln KNMP 3, Bukit Katil, 75450 Melaka, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*
14. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Articles of Association of the Company.*
15. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 February 2019 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 13th AGM.*
16. *Any alteration in the form of proxy must be initialed.*
17. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 13th AGM will be put to the vote by poll.*

Notice Of
Annual General Meeting
[cont'd]

Explanatory Notes to Special Business

18. Item 10 and 11 of the Agenda

For Ordinary Resolution 9 and 10 on the Proposed Continuation in Office as Independent Non-Executive Directors, the Nomination Committee of the Company has assessed the independence of Mr. Yang Chong Yaw, Alan, Director who has served for a cumulative term of more than nine (9) years and Mr. Goh Hoon Leum, the Director who has served for a cumulative term of nine (9) years on 8 December 2019 and has recommended to the Board that they continue to act as Independent Non-Executive Directors for the Company. Mr. Yang Chong Yaw, Alan was appointed as an Independent Non-Executive Director on 17 April 2006 and he have served the Company for more than nine (9) years as at the date of the notice of 13th AGM. Whereas, Mr. Goh Hoon Leum was appointed as an Independent Non-Executive Director on 8 December 2010 and his nine (9) years tenure would expire on 8 December 2019. However, Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum have met the independence guideline as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board upon the recommendation from the Nomination Committee of the Company, therefore, considers Mr. Yang Chong Yaw, Alan and Mr. Goh Hoon Leum to be Independent and recommends that :-

- a) Mr. Goh Hoon Leum to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company; and
- b) Mr. Yang Chong Yaw, Alan to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice No. 4.2 of the Malaysian Code on Corporate Governance 2017.

19. Item 12 of the Agenda

Ordinary Resolution 11 is proposed to grant a renewed general mandate ("General Mandate"), which if passed, will empower the Directors of the Company, pursuant to Section 76 of the Companies Act, 2016 to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued capital of the Company as the Directors may consider such an act to be in the interest of the Company. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or during the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

As of the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 26 February 2018 and which will lapse at the conclusion of the 13th AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to, further placing of shares, for the purpose of funding future investment project(s), working capital and /or acquisitions.

20. Item 13 of the Agenda

Special Resolution is proposed adoption of new Constitution, which if passed, will streamline the Company's Constitution with the new provisions of the Companies Act, 2016, amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad for Main Market and enhance administrative efficiency. The Board proposed that the existing Constitution be revoked in its entirety and the proposed new Constitution of the Company as set out in "Appendix A" despatched together with the Company's Annual Report 2018 be adopted as the new Constitution of the Company. The Proposed Adoption shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to attend and vote and do vote in person or by proxy at the 13th AGM.

Notice Of
Annual General Meeting
[cont'd]

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 13th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**STATEMENT ACCOMPANYING THE NOTICE OF THE
THIRTEENTH ANNUAL GENERAL MEETING**
(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Director standing for re-election.

Details of the retiring director namely, Ms. Huang Yu Fen are set out in pages 15 of the Annual Report 2018 of the Company.

2. Statement relating to a general mandate for the issue of securities in accordance with Paragraph 6.04(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Explanatory Note 19 of the Notice of the 13th AGM set out on Page 115.

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WELLCALL HOLDINGS BERHAD
(Company No. 707346-W)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

Number of Shares Held	CDS Account No.
------------------------------	------------------------

*I/We
(FULL NAME IN CAPITAL LETTERS)
(NRIC No.) and (Telephone No.)
of
(FULL ADDRESS)
being a *Member/Members of WELLCALL HOLDINGS BERHAD, do hereby appoint
(FULL NAME IN CAPITAL LETTERS) (NRIC No.)
of or
(FULL ADDRESS)
failing him/her) (NRIC No.)
(FULL NAME IN CAPITAL LETTERS)
of
(FULL ADDRESS)

or failing whom, the CHAIRMAN of the General Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Thirteenth Annual General Meeting ("13th AGM") to be held at The Pines Hotel, Meeting Room R1, Level 6, Tower A, Jaya 99, No. 99, Jalan Tun Sri Lanang, 75100 Melaka on Monday, 25 February 2019 at 10.00 a.m. and at any adjournment thereof.

*My/our *proxy/proxies shall vote as follows :-

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain for voting at his/her discretion.

No	Agenda			
1	To lay before the meeting the Audited Financial Statements for the year ended 30 September 2018 together with the Reports of the Directors and Auditors thereon.			
		Resolution	For	Against
2	To approve the payment of the Directors' Fees amounting to RM682,000.00 for the financial year ended 30 September 2018.	1		
3	To approve the payment of Directors' remuneration (excluding Directors' Fees) to Non-Executive Directors of the Company of an amount up to RM130,000.00 for the period from 1 March 2019 until the next Annual General Meeting of the Company held in 2020.	2		
4	To approve the aggregate Directors' Fees payable to the Directors of the Company of an amount up to RM682,000.00 for the financial year ending 30 September 2019.	3		
5	To re-elect Datuk Ng Peng Hong @ Ng Peng Hay, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association.	4		
6	To re-elect Mr. Huang Sha, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association.	5		
7	To re-elect Mr. Yong Peng Tak, the retiring Director, who retires by rotation and being eligible, offers himself for re-election in accordance with Article 94 of the Company's Articles of Association.	6		
8	To re-appoint Ms. Huang Yu Fen, who retires and being eligible, offers herself for re-appointment in accordance with Article 97 of the Company's Articles of Association.	7		
9	To re-appoint Messrs Ong & Wong as Auditors of the Company for the financial year ending 30 September 2019 and to authorise the Directors to deliberate on the Auditors' remuneration.	8		
	Special Business			
10	Proposed Continuation of Office as Independent Non-Executive Director "THAT Mr. Yang Chong Yaw, Alan, having served as Independent Non-Executive Director for a cumulative term of more than nine (9) years, continue to act as the Independent Non-Executive Director of the Company."	9		
11	Proposed Continuation of Office as Independent Non-Executive Director "THAT Mr. Goh Hoon Leum, having served as Independent Non-Executive Director for a cumulative term of nine (9) years on 8 December 2019, continue to act as the Independent Non-Executive Director of the Company."	10		
12	Authority to Issue Share Under Sections 75 and 76 of the Companies Act, 2016. "THAT subject always to the Companies Act, 2016, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting of the Company to such persons and upon such terms and conditions for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued."	11		
13	Proposed Adoption of New Constitution of the Company. "THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in "Appendix A" despatched together with the Company's Annual Report 2018 be and is hereby adopted as the Constitution of the Company ("Proposed Adoption"); AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Adoption."	Special		

*Strike out whichever not applicable.

As witness *my/our hand this day of

.....
Signature of Member/Common Seal



NOTES :-

1. A member of the Company who is entitled to attend, speak and vote at this 13th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company and a member may appoint any person to be his(her) proxy without limitation.
2. A member of the Company shall not be entitled to appoint more than one (1) proxy to attend, speak and vote at the same meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he/she may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the Registered Office of the Company at No. 4-1, Komplek Niaga Melaka Perdana, Jln KNMP 3, Bukit Katil, 75450 Melaka, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
7. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Articles of Association of the Company.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 February 2019 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 13th AGM.
9. Any alteration in the form of proxy must be initialed.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 13th AGM will be put to vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 13th AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of 13th AGM dated 25 January 2019.

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Stamp

THE SECRETARY
WELLCALL HOLDINGS BERHAD (707346-W)
No. 4-1 Komplek Niaga Melaka Perdana
Jln KNMP 3, Bukit Katil
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