

**WHITE HORSE BERHAD**

(Company No: 455130-X)

**CONDENSED CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME**FOR THE QUARTER ENDED  
31 MARCH 2016

|   | CURRENT QUARTER<br>03 MONTHS ENDED  |                                     | CUMULATIVE QUARTER<br>03 MONTHS ENDED |                                   |
|---|-------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|
|   | 31 MAR 2016<br>Unaudited<br>RM '000 | 31 MAR 2015<br>Unaudited<br>RM '000 | 31 MAR 2016<br>Unaudited<br>RM '000   | 31 MAR 2015<br>Audited<br>RM '000 |
| Revenue   | 169,730                             | 203,140                             | 169,730                               | 203,140                           |
| Cost of goods sold  | (128,638)                           | (149,477)                           | (128,638)                             | (149,477)                         |
| <b>Gross profit</b>                                       | <b>41,092</b>                       | <b>53,663</b>                       | <b>41,092</b>                         | <b>53,663</b>                     |
| Other income  | 1,504                               | 1,833                               | 1,504                                 | 1,833                             |
| Administrative and general expenses                       | (6,097)                             | (17,169)                            | (6,097)                               | (17,169)                          |
| Selling and distribution expenses                         | (12,981)                            | (14,552)                            | (12,981)                              | (14,552)                          |
| <b>Operating Profit</b>                                   | <b>23,518</b>                       | <b>23,775</b>                       | <b>23,518</b>                         | <b>23,775</b>                     |
| Interest expense  | (1,125)                             | (1,236)                             | (1,125)                               | (1,236)                           |
| <b>Profit before tax</b>                                  | <b>22,393</b>                       | <b>22,539</b>                       | <b>22,393</b>                         | <b>22,539</b>                     |
| Income tax expense  | (5,122)                             | (5,469)                             | (5,122)                               | (5,469)                           |
| <b>Profit for the period</b>                              | <b>17,271</b>                       | <b>17,070</b>                       | <b>17,271</b>                         | <b>17,070</b>                     |
| Other comprehensive income :                              |                                     |                                     |                                       |                                   |
| Exchange differences on<br>translation foreign operations | -                                   | 1,226                               | -                                     | 1,226                             |
| <b>Total Other comprehensive income</b>                   | <b>-</b>                            | <b>1,226</b>                        | <b>-</b>                              | <b>1,226</b>                      |
| <b>Total Comprehensive Income</b>                         | <b>17,271</b>                       | <b>18,296</b>                       | <b>17,271</b>                         | <b>18,296</b>                     |
| Profit attributable to :                                  |                                     |                                     |                                       |                                   |
| Owners of the parent                                      | 17,271                              | 17,070                              | 17,271                                | 17,070                            |
| Non-controlling interests                                 | -                                   | -                                   | -                                     | -                                 |
|   | <b>17,271</b>                       | <b>17,070</b>                       | <b>17,271</b>                         | <b>17,070</b>                     |
| Total comprehensive income attributable to :              |                                     |                                     |                                       |                                   |
| Owners of the parent                                      | 17,271                              | 18,296                              | 17,271                                | 18,296                            |
| Non-controlling interests                                 | -                                   | -                                   | -                                     | -                                 |
|   | <b>17,271</b>                       | <b>18,296</b>                       | <b>17,271</b>                         | <b>18,296</b>                     |
| Earnings per share (sen)                                  |                                     |                                     |                                       |                                   |
| Basic and diluted, for the period                         | 7.53                                | 7.44                                | 7.53                                  | 7.44                              |

(The Statement of Comprehensive Income shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2015, and the accompanying explanatory notes attached to the interim financial statements)

**WHITE HORSE BERHAD**

(Company No: 455130-X)

**CONDENSED CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**

AS AT 31 MARCH 2016

|                                      | <b>31 MAR 2016<br/>Unaudited<br/>RM '000</b> | <b>31 DEC 2015<br/>Audited<br/>RM '000</b> |
|--------------------------------------|--|--|
| <b>ASSETS</b>                        |  |  |
| <b>Non-current assets</b>            |  |  |
| Property, plant and equipment        | 471,584                                      | 482,240                                    |
| Prepaid lease payments               | 18,792                                       | 19,295                                     |
| Other asset                          | 48,929                                       | 48,929                                     |
| Goodwill on consolidation            | 677  | 677  |
|                                      | <b>539,982</b>                               | <b>551,141</b>                             |
| <b>Current assets</b>                |  |  |
| Inventories                          | 382,955                                      | 409,569                                    |
| Trade receivables                    | 147,749                                      | 148,707                                    |
| Other receivables                    | 33,216                                       | 18,729                                     |
| Investment securities                | 1,000  | 1,000                                      |
| Cash and bank balances               | 134,083                                      | 144,235                                    |
|                                      | <b>699,003</b>                               | <b>722,240</b>                             |
| <b>TOTAL ASSETS</b>                  | <b>1,238,985</b>                             | <b>1,273,381</b>                           |
| <b>EQUITY AND LIABILITIES</b>        |  |  |
| <b>Equity</b>                        |  |  |
| Share capital                        | 240,000                                      | 240,000                                    |
| Share premium                        | 6,936  | 6,936                                      |
| Treasury share                       | (16,354)                                     | (16,354)                                   |
| Foreign currency translation reserve | 19,547                                       | 19,547                                     |
| Retained earnings                    | 528,812                                      | 511,541                                    |
| <b>Total equity</b>                  | <b>778,941</b>                               | <b>761,670</b>                             |
| <b>Non-current liabilities</b>       |  |  |
| Borrowings                           | 2,182  | 1,391                                      |
| Other payables                       | 94,516                                       | 91,839                                     |
| Deferred tax liabilities             | 17,153                                       | 15,653                                     |
|                                      | <b>113,851</b>                               | <b>108,883</b>                             |
| <b>Current liabilities</b>           |  |  |
| Borrowings                           | 228,498                                      | 248,742                                    |
| Trade payables                       | 51,351                                       | 52,681                                     |
| Other payables                       | 62,393                                       | 85,030                                     |
| Taxation                             | 3,931  | 4,870                                      |
| Dividend payable                     | 20   | 11,505                                     |
|                                      | <b>346,193</b>                               | <b>402,828</b>                             |
| <b>Total liabilities</b>             | <b>460,044</b>                               | <b>511,711</b>                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,238,985</b>                             | <b>1,273,381</b>                           |
| <b>Net Assets per share (RM)</b>     | <b>3.40</b>                                  | <b>3.32</b>                                |

(The Statement of Financial Position shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

**WHITE HORSE BERHAD**

(Company No: 455130-X)

**CONDENSED CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY**

FOR THE QUARTER ENDED 31 MAR 2016

|                                    | Equity<br>Total<br>RM '000 | Non-Distributable           |                             |                              | Foreign<br>Currency<br>Translation<br>Reserve<br>RM '000 | Distributable<br>Retained<br>Profits<br>RM '000 |
|------------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------------|--|---|
|                                    |                            | Share<br>Capital<br>RM '000 | Share<br>Premium<br>RM '000 | Treasury<br>Share<br>RM '000 |  |   |
| Opening balance at 01 January 2016 | 761,670                    | 240,000                     | 6,936                       | (16,354)                     | 19,547   | 511,541   |
| Purchase of treasury shares        | -                          | -                           | -                           | -                            | -  | -   |
| Total comprehensive income         | 17,271                     | -                           | -                           | -                            | -  | 17,271  |
| Dividends                          | -                          | -                           | -                           | -                            | -  | -   |
| Closing balance at 31 March 2016   | <u>778,941</u>             | <u>240,000</u>              | <u>6,936</u>                | <u>(16,354)</u>              | <u>19,547</u>  | <u>528,812</u>                                  |
| Opening balance at 01 January 2015 | 738,380                    | 240,000                     | 6,936                       | (16,309)                     | 7,491  | 500,262   |
| Purchase of treasury shares        | -                          | -                           | -                           | -                            | -  | -   |
| Total comprehensive income         | 18,296                     | -                           | -                           | -                            | 1,226  | 17,070  |
| Dividends                          | -                          | -                           | -                           | -                            | -  | -   |
| Closing balance at 31 March 2015   | <u>756,676</u>             | <u>240,000</u>              | <u>6,936</u>                | <u>(16,309)</u>              | <u>8,717</u>   | <u>517,332</u>                                  |

(The Statement of Changes in Equity shall be read in conjunction with the Annual Financial Report for the year end 31 December 2015, and the accompanying explanatory notes attached to the interim financial statements)

**WHITE HORSE BERHAD**

(Company No: 455130-X)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

FOR THE QUARTER ENDED 31 MARCH 2016

|   | 03 MONTHS ENDED |                 |
|---|-----------------|-----------------|
|   | 31 MAR 2016     | 31 MAR 2015     |
|   | Unaudited       | Unaudited       |
|   | RM '000         | RM '000         |
| <b>Operating Activities</b>                               |                 |                 |
| Profit Before Tax   | 22,393          | 22,539          |
| <b>Adjustments for :</b>                                  |                 |                 |
| Interest income   | (605)           | (495)           |
| Interest expense  | 1,125           | 1,236           |
| Amortisation of prepaid lease payments                    | 811             | 770             |
| Depreciation of property, plant and equipment             | 9,939           | 9,191           |
| Loss on disposal of property, plant and equipment         | 28              | 2               |
| Write down of property, plant and equipment               | 7               | 2               |
| Gain on foreign currency exchange : realised              | (332)           | (816)           |
| (Gain) / Loss on foreign currency exchange : unrealised   | (11,484)        | 4,753           |
| <b>Total adjustments</b>                                  | <b>(511)</b>    | <b>14,643</b>   |
| Operating cash flow before changes in working capital     | 21,882          | 37,182          |
| <b>Changes in working capital</b>                         |                 |                 |
| Decrease in inventories                                   | 26,614          | 18,875          |
| Increase in trade and other receivables                   | (6,236)         | (27,165)        |
| (Decrease) / Increase in trade and other payables         | (11,774)        | 5,271           |
| <b>Total changes in working capital</b>                   | <b>8,604</b>    | <b>(3,019)</b>  |
| Interest received   | 605             | 495             |
| Interest paid   | (1,125)         | (1,236)         |
| Income taxes paid   | (5,533)         | (5,051)         |
|   | <b>(6,053)</b>  | <b>(5,792)</b>  |
| <b>Net cash flows generated from operating activities</b> | <b>24,433</b>   | <b>28,371</b>   |
| <b>Investing Activities</b>                               |                 |                 |
| Purchase of property, plant and equipment                 | (3,707)         | (23,588)        |
| Proceed from disposal of property, plant and equipment    | 44              | -               |
| <b>Net cash used in investing activities</b>              | <b>(3,663)</b>  | <b>(23,588)</b> |
| <b>Financing Activities</b>                               |                 |                 |
| Dividends paid  | (11,469)        | (11,470)        |
| Purchase of treasury shares                               | -               | -               |
| Decrease in loans and borrowings                          | (19,453)        | (3,641)         |
| <b>Net cash used in financing activities</b>              | <b>(30,922)</b> | <b>(15,111)</b> |
| Net decrease in cash and cash equivalents                 | (10,152)        | (10,328)        |
| Cash and cash equivalents at 01-January                   | 144,235         | 123,799         |
| <b>Cash and cash equivalents at Quarter-end</b>           | <b>134,083</b>  | <b>113,471</b>  |

(The Statement of Cash Flow shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2015, and the accompanying explanatory notes attached to the interim financial statements)

**WHITE HORSE BERHAD** (Company No: 455130-X)

**Explanatory Notes pursuant to MFRS 134 for the First Quarter ended 31 March 2016.**

## **1. CORPORATE INFORMATION**

White Horse Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 May 2016.

## **2. BASIS OF PREPARATION**

The condensed consolidated interim financial statements, for the period ended 31 March 2016, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015.

## **4. CHANGES IN ESTIMATES**

There were no changes in estimates that had a material effect in the current interim results.

## **5. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in composition of the Group for the current quarter.

## **6. SEGMENT INFORMATION**

A segmental financial information for the current quarter has been prepared based on the geographical location as follows: \_

**SEGMENTAL INFORMATION**- By geographical area  
31 MARCH 2016

|                             | Malaysia<br>Operation<br>RM '000 | Vietnam<br>Operation<br>RM '000 | Other<br>Operation<br>RM '000 | Eliminations<br>RM '000 | Total<br>RM '000 |
|-----------------------------|----------------------------------|---------------------------------|-------------------------------|-------------------------|------------------|
| <b>Segment Revenue</b>      |                                  |                                 |                               |                         |                  |
| External sales              | 128,632                          | 22,466                          | 18,632                        |                         | 169,730          |
| Inter-segment sales         | 7,575                            | 2,704                           | 1,756                         | (12,035)                | -                |
|                             | 136,207                          | 25,170                          | 20,388                        | (12,035)                | 169,730          |
| <b>Segment Results</b>      |                                  |                                 |                               |                         |                  |
| Interest income             | 589                              | 6                               | 10                            |                         | 605              |
| Depreciation & amortisation | 8,014                            | 2,181                           | 555                           |                         | 10,750           |
| Profit / (Loss) before tax  | 22,157                           | (277)                           | 1,523                         | (1,010)                 | 22,393           |
| <b>Segment Assets</b>       |                                  |                                 |                               |                         |                  |
| Total asset                 | 961,312                          | 205,177                         | 72,496                        | -                       | 1,238,985        |
| <b>Segment Liabilities</b>  |                                  |                                 |                               |                         |                  |
| Total liabilities           | 317,463                          | 131,590                         | 10,991                        | -                       | 460,044          |

**SEGMENTAL INFORMATION**- By geographical area  
31 MARCH 2015

|                             | Malaysia<br>Operation<br>RM '000 | Vietnam<br>Operation<br>RM '000 | Other<br>Operation<br>RM '000 | Eliminations<br>RM '000 | Total<br>RM '000 |
|-----------------------------|----------------------------------|---------------------------------|-------------------------------|-------------------------|------------------|
| <b>Segment Revenue</b>      |                                  |                                 |                               |                         |                  |
| External sales              | 168,522                          | 18,565                          | 16,053                        |                         | 203,140          |
| Inter-segment sales         | 10,189                           | 4,468                           | 981                           | (15,638)                | -                |
|                             | 178,711                          | 23,033                          | 17,034                        | (15,638)                | 203,140          |
| <b>Segment Results</b>      |                                  |                                 |                               |                         |                  |
| Interest income             | 470                              | 6                               | 19                            |                         | 495              |
| Depreciation & amortisation | 7,621                            | 1,853                           | 487                           |                         | 9,961            |
| Profit / (Loss) before tax  | 26,931                           | (2,529)                         | 370                           | (2,233)                 | 22,539           |
| <b>Segment Assets</b>       |                                  |                                 |                               |                         |                  |
| Total asset                 | 950,955                          | 179,415                         | 77,425                        | -                       | 1,207,795        |
| <b>Segment Liabilities</b>  |                                  |                                 |                               |                         |                  |
| Total liabilities           | 328,517                          | 112,929                         | 9,673                         | -                       | 451,119          |

## 7. SEASONALITY OF OPERATIONS

The Group's business operation is related to the construction and renovation industries. It is a norm that every first quarter of the calendar year, the business will be performed at a slower pace due to the festive season and it is expected the business's performance will be improved in the forthcoming quarters.

## 8. PROFIT BEFORE TAX

Included in the Profit Before Tax are the following items:-

|   | CURRENT QUARTER           |                           |
|---|---------------------------|---------------------------|
|   | 03 MONTHS ENDED           |                           |
|   | 31 MAR<br>2016<br>RM '000 | 31 MAR<br>2015<br>RM '000 |
| Interest income   | (605)                     | (495)                     |
| Interest expense  | 1,125                     | 1,236                     |
| Amortisation of prepaid lease payments                  | 811                       | 770                       |
| Depreciation of property, plant and equipment           | 9,939                     | 9,191                     |
| Loss on disposal of property, plant and equipment       | 28                        | 2                         |
| Write down of property, plant and equipment             | 7                         | 2                         |
| Gain on foreign currency exchange : realised            | (332)                     | (816)                     |
| (Gain) / Loss on foreign currency exchange : unrealised | (11,484)                  | 14,753                    |

## 9. INCOME TAX EXPENSE

|                      | CURRENT QUARTER           |                           |
|----------------------|---------------------------|---------------------------|
|                      | 03 MONTHS ENDED           |                           |
|                      | 31 MAR<br>2016<br>RM '000 | 31 MAR<br>2015<br>RM '000 |
| Current Tax:         |                           |                           |
| Malaysian Income Tax | 6,899                     | 6,046                     |
| Foreign Tax          | (277)                     | (37)                      |
|                      | 6,622                     | 6,009                     |
| Deferred Tax         | (1,500)                   | (540)                     |
|                      | 5,122                     | 5,469                     |

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

## 10. EARNINGS PER SHARE

Basic earnings per share amounts are computed by dividing the profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Company.

The following reflect the profit and share data used in the computation of basic earning per share :-

|  | CURRENT QUARTER<br>03 MONTHS ENDED |                |
|--|------------------------------------|----------------|
|  | 31 MAR<br>2016                     | 31 MAR<br>2015 |
| Profit net of tax attributable to owners of the parent used in the computation of earning per share (RM'000) | 17,271                             | 17,070         |
| Weighted average number of ordinary shares in issue ('000)   | 240,000                            | 240,000        |
| Treasury shares  | 10,625                             | 10,605         |
| Net Weighted average number of ordinary shares in issue ('000)   | 229,375                            | 229,395        |
| Basic earnings per share (sen per share)   | 7.53                               | 7.44           |

## 11. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2016, the Group acquired assets at a cost of RM 3.7 million (31 March 2015 : RM 23.6 million).

## 12. INTANGIBLE ASSETS : GOODWILL

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.



Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

### 13. INVENTORIES

There was no write-down of inventories to net realizable value for the current quarter (Year 2015: Nil).

### 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:-

|  | 31 MAR<br>2016<br>RM '000 | 31 MAR<br>2015<br>RM '000 |
|--|---------------------------|---------------------------|
| Cash on hand and at banks                  | 48,799                    | 56,987                    |
| Short term deposits with banks             | 85,284                    | 56,484                    |
| <b>Total Cash and Cash<br/>Equivalents</b> | <b>134,083</b>            | <b>113,471</b>            |

### 15. FAIR VALUE HIERARCHY

No transfers between any level of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

### 16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

Subsequent to the end of the first quarter, the company had further purchased its own shares as treasury shares as at 19 May 2016, which were not resale or canceled.

Details of the treasury shares are as follows:-

| Month                  | No. of<br>shares<br>purchased | Purchase Price |        | Average<br>Price | Total<br>Consideration |
|------------------------|-------------------------------|----------------|--------|------------------|------------------------|
|                        |                               | Highest        | Lowest |                  |                        |
|                        |                               | RM             | RM     | RM               | RM                     |
| Balance as at 31-03-16 | 10,624,800                    | 2.5000         | 0.9200 | 1.5297           | 16,354,373             |
| April 2016             | 7,000                         | 2.9143         | 2.1943 | 2.1943           | 15,479                 |
| Balance as at 19-05-16 | 10,631,800                    | 2.5000         | 0.9200 | 1.5308           | 16,369,852             |

## 17. INTEREST-BEARING LOANS AND BORROWINGS

|                         | 31 MAR<br>2016<br>RM '000 | 31 MAR<br>2015<br>RM '000 |
|-------------------------|---------------------------|---------------------------|
| Secured                 | 16,373                    | 16,093                    |
| Unsecured               | 212,125                   | 190,824                   |
| Short-term borrowings   | 228,498                   | 206,917                   |
|                         |                           |                           |
| Secured                 | 2,182                     | 2,997                     |
| Unsecured               | -                         | -                         |
| Long-term borrowings    | 2,182                     | 2,997                     |
|                         |                           |                           |
| Secured                 | 18,555                    | 19,090                    |
| Unsecured               | 212,125                   | 190,824                   |
| <b>Total borrowings</b> | <b>230,680</b>            | <b>209,914</b>            |

The above secured loans and borrowings are denominated in USD and mortgaged over its machinery of White Horse Ceramic Industries (Vietnam) Co. Ltd. ("WHV"). It carries interest rate of 6.5% p.a.

While, the unsecured loans and borrowings are subject to corporate guarantee and negative pledge. It also included borrowings denominated in foreign currency as follows:-

- (i) Between 1.80% p.a. and 2.65% floating rate United State Dollars ("USD") bank loan for USD 49.8 million (equivalent of RM 194.44 million).

## 18. PROVISIONS FOR COSTS OF RESTRUCTURING

There were no provisions for costs of restructuring for the current quarter and comparative period.

## 19. DIVIDEND

An interim 5 sen tax-exempted dividend in respect of the current financial year of 2015, amounting to RM11.5 million was paid on 13 January 2016.

No interim dividend has been declared for the current quarter ended 31 March 2016 (31 March 2015: Nil).

However, at the forthcoming Annual General Meeting on 26 May 2016, a final tax exempt dividend of 5 sen per share (Year 2014 : 5 sen) amounting to RM11.5 million, in respect of the financial year ended 31 December 2015 will be proposed for shareholders' approval. The total tax-exempt dividend for the financial year of 2015, would be amounting to 10 sen per share (Year 2014: 10 sen per share). The financial statements for the current quarter do not reflect this proposed dividend.

## 20. COMMITMENT

|                                 | 31<br>MAR<br>2016<br>RM '000 | 31<br>MAR<br>2015<br>RM '000 |
|---------------------------------|------------------------------|------------------------------|
| <b>Capital expenditure :-</b>   |                              |                              |
| Approved and contracted for     |                              |                              |
| Property, plant and equipment   | 15,000                       | -                            |
| Approved but not contracted for |                              |                              |
| Property, plant and equipment   | 10,000                       | 25,000                       |
| <b>Total Commitment</b>         | <b>25,000</b>                | <b>25,000</b>                |

## 21. CONTINGENCIES

There were no other contingencies for the current quarter, except the contingent liability, which was made-up of Corporate Guarantees issued to financial institutions for the subsidiaries' borrowings and banking facilities.

## 22. RELATED PARTY TRANSACTIONS

The following table provides information on the transactions, which have been entered into with related parties during the 3 months period ended 31 March 2016 and 31 March 2015 as well as the balances with the related parties as at 31 March 2016 and 31 December 2015.

| <b>Key Management<br/>Personnel of the Group :<br/>Directors' interest</b> |      | Sales to<br>related<br>parties<br>RM '000 | Purchases<br>from<br>related<br>parties<br>RM '000 | Amounts<br>owed by<br>related<br>parties<br>RM '000 | Amounts<br>owed to<br>related<br>parties<br>RM '000 |
|--|------|---|--|---|---|
| White Horse Ceramic Co Ltd   | 2016 | 2,037                                     | -  | 2,878   | -   |
|  | 2015 | 1,024                                     | -  | 2,368   | -   |
| Teobros Ceramica Sdn Bhd   | 2016 | 8,822                                     | 85   | 29,677  | 90  |
|  | 2015 | 10,301                                    | 52   | 37,929  | 102   |
| White Horse Investment (S) Pte Ltd   | 2016 | -   | -  | 48,929  | 120,168   |
|  | 2015 | -   | -  | 32,686  | 123,096   |

All outstanding balances with these related parties are unsecured and repayable on demand.

## 23. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period.

#### **24. PERFORMANCE REVIEW**

The revenue, gross profit and profit before tax had reduced by 16%, 23% and 1% respectively as compared to the same corresponding period of last year.

The reduced revenue, gross profit and profit before tax were mainly due to the lower sales volume in the Malaysia market, but the Vietnam and other markets achieved a higher sale.

#### **25. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The profit before tax of RM 22.4 million for the current quarter is 6.5% lower than the immediate preceding quarter mainly due to the lower sales volume achieved in the first quarter of the year.

#### **26. COMMENTARY ON PROSPECTS**

The Group's business is linked with the construction and renovation industries, where its markets coverage is fairly distributed into property development and replacement sectors for both local and exports markets.

Business operations are still challenging in terms of market competitiveness, fluctuation of foreign exchange currencies, higher production and operating costs. Counter measures had been implemented in the manufacturing efficiency improvement, cost-saving and market restructuring to address such challenges.

#### **27. PROFIT FORECAST OR PROFIT GUARANTEE**

There was no profit forecast or profit guarantee announced as at the date of this quarterly report

#### **28. CORPORATE PROPOSALS**

There was no corporate proposal announced but not completed as at the date of this quarterly report.

#### **29. CHANGES IN MATERIAL LITIGATION**

There was no material litigation as at the date of this quarterly report

#### **30. DIVIDEND PAYABLE**

Please refer to Note 19 for details.

#### **31. DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVES**

There was no outstanding derivative as at the reporting period

#### **32. DISCLOSURE OF GAINS / LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

There were no gains or losses arising from fair value changes of financial liabilities as at the reporting period.

### 33. BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group as at 31 March 2016 and 31 December 2015 into realised and unrealised profits, is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

|   | Current Quarter<br>Ended 31 Mar<br>2016<br>RM '000 | Previous<br>Financial Year<br>Ended 31 Dec<br>2015<br>RM '000 |
|---|--|---|
| Total retained profits of White Horse Berhad and its subsidiaries |  |   |
| - Realised  | 549,576  | 535,850   |
| -Unrealised   | (48,184)   | (37,666)  |
|   | 501,392  | 498,184   |
| Less: Consolidation adjustments                                   | 27,420   | 13,357  |
| Total group retained profits as per financial statement           | 528,812  | 511,541   |

### 34. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.