

WHITE HORSE BERHAD

(Company No: 455130-X)

**CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME**FOR THE QUARTER ENDED
31 MARCH 2018

| | CURRENT QUARTER 03 MONTHS ENDED | | CUMULATIVE QUARTER 03 MONTHS ENDED | |
|---|-------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| | 31 MAR 2018 Unaudited RM '000 | 31 MAR 2017 Unaudited RM '000 | 31 MAR 2018 Unaudited RM '000 | 31 MAR 2017 Unaudited RM '000 |
| Revenue | 145,776 | 142,610 | 145,776 | 142,610 |
| Cost of goods sold | (124,986) | (111,870) | (124,986) | (111,870) |
| Gross profit | 20,790 | 30,740 | 20,790 | 30,740 |
| Other income | 667 | 1,259 | 667 | 1,259 |
| Administrative and general expenses | (9,612) | (13,105) | (9,612) | (13,105) |
| Selling and distribution expenses | (5,547) | (11,906) | (5,547) | (11,906) |
| Operating Profit | 6,298 | 6,988 | 6,298 | 6,988 |
| Interest expense | (1,482) | (1,567) | (1,482) | (1,567) |
| Profit before tax | 4,816 | 5,421 | 4,816 | 5,421 |
| Income tax expense | (1,003) | (1,181) | (1,003) | (1,181) |
| Profit for the period | 3,813 | 4,240 | 3,813 | 4,240 |
| Other comprehensive income : | | | | |
| Exchange differences on translation foreign operations | - | - | - | - |
| Total Other comprehensive income | - | - | - | - |
| Total Comprehensive Income | 3,813 | 4,240 | 3,813 | 4,240 |
| Profit attributable to : | | | | |
| Owners of the parent | 3,813 | 4,240 | 3,813 | 4,240 |
| Non-controlling interests | - | - | - | - |
| | 3,813 | 4,240 | 3,813 | 4,240 |
| Total comprehensive /income attributable to : | | | | |
| Owners of the parent | 3,813 | 4,240 | 3,813 | 4,240 |
| Non-controlling interests | - | - | - | - |
| | 3,813 | 4,240 | 3,813 | 4,240 |
| Earnings per share (sen) | | | | |
| Basic and diluted, for the period | 1.67 | 1.85 | 1.67 | 1.85 |

(The Condensed Consolidated Statement of Comprehensive Income shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2017, 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 2018

| | 31 MAR 2018 Unaudited RM '000 | 31 DEC 2017 Audited RM '000 |
|--------------------------------------|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 444,698 | 442,880 |
| Prepaid lease payments | 13,876 | 14,380 |
| Trade and other receivables | 793 | 793 |
| Goodwill on consolidation | 677 | 677 |
| | 460,044 | 458,730 |
| Current assets | | |
| Inventories | 372,041 | 391,581 |
| Trade receivables | 141,127 | 139,226 |
| Other receivables | 21,188 | 32,291 |
| Tax recoverable | 5,639 | 5,639 |
| Cash and bank balances | 63,524 | 80,589 |
| | 603,519 | 649,326 |
| TOTAL ASSETS | 1,063,563 | 1,108,056 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 246,936 | 246,936 |
| Treasury share | (17,317) | (17,297) |
| Foreign currency translation reserve | 18,557 | 18,557 |
| Retained earnings | 501,052 | 497,239 |
| Total equity | 749,228 | 745,435 |
| Non-current liabilities | | |
| Borrowings | 9,000 | 10,000 |
| Other payables | 45,185 | 39,586 |
| Deferred tax liabilities | 10,225 | 11,125 |
| | 64,410 | 60,711 |
| Current liabilities | | |
| Borrowings | 168,081 | 179,164 |
| Trade payables | 46,665 | 52,938 |
| Other payables | 33,660 | 58,286 |
| Taxation | 1,367 | - |
| Dividend payable | 152 | 11,522 |
| | 249,925 | 301,910 |
| Total liabilities | 314,335 | 362,621 |
| TOTAL EQUITY AND LIABILITIES | 1,063,563 | 1,108,056 |
| Net Assets per share (RM) | 3.27 | 3.26 |

(The Condensed Consolidated Statement of Financial Position shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 2018

| | Equity Total RM '000 | Non-Distributable | | | Foreign Currency Translation Reserve RM '000 | Distributable Retained Profits RM '000 |
|--|----------------------------|-----------------------------|-----------------------------|------------------------------|--|---|
| | | Share Capital RM '000 | Share Premium RM '000 | Treasury Share RM '000 | | |
| Opening balance at 01 January 2018 | 745,435 | 246,936 | - | (17,297) | 18,557 | 497,239 |
| Purchase of treasury shares | (20) | - | - | (20) | - | - |
| Total comprehensive income | 3,813 | - | - | - | - | 3,813 |
| Dividends | - | - | - | - | - | - |
| Closing balance at 31 Marchr 2018 | 749,228 | 246,936 | - | (17,317) | 18,557 | 501,052 |
| Opening balance at 01 January 2017 | 768,297 | 240,000 | 6,936 | (16,598) | 22,904 | 515,055 |
| Effect of implementation of Companies Act 2016 | - | 6,936 | (6,936) | - | - | - |
| Purchase of treasury shares | (510) | - | - | (510) | - | - |
| Total comprehensive income | 4,240 | - | - | - | - | 4,240 |
| Dividends | - | - | - | - | - | - |
| Closing balance at 31 March 2017 | 772,027 | 246,936 | - | (17,108) | 22,904 | 519,295 |

(The Condensed Consolidated Statement of Comprehensive Income shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2017, and the accompanying explanatory notes attached to the interim financial st:

WHITE HORSE BERHAD

(Company No: 455130-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED 31 MARCH 2018

| | 03 MONTHS ENDED | |
|---|-----------------|-------------|
| | 31 MAR 2018 | 31 MAR 2017 |
| | Unaudited | Unaudited |
| | RM '000 | RM '000 |
| Operating Activities | | |
| Profit Before Tax | 4,816 | 5,421 |
| Adjustments for : | | |
| Interest income | (76) | (600) |
| Interest expense | 1,482 | 1,567 |
| Amortisation of prepaid lease payments | 707 | 839 |
| Depreciation of property, plant and equipment | 7,141 | 10,142 |
| Gain on disposal of property, plant and equipment | (5) | (183) |
| Write down of property, plant and equipment | 14 | 206 |
| Net unrealised foreign exchange gain | (8,020) | (3,892) |
| Total adjustments | 1,243 | 8,079 |
| Operating cash flow before changes in working capital | 6,059 | 13,500 |
| Changes in working capital | | |
| Decrease in inventories | 19,540 | 17,543 |
| Decrease / (Increase) in trade and other receivables | 9,202 | (10,335) |
| Decrease in trade and other payables | (17,168) | (13,350) |
| Total changes in working capital | 11,574 | (6,142) |
| Interest received | 76 | 600 |
| Interest paid | (1,482) | (1,567) |
| Income taxes paid | (1,353) | (2,152) |
| | (2,759) | (3,119) |
| Net cash flows generated from operating activities | 14,874 | 4,239 |
| Investing Activities | | |
| Purchase of property, plant and equipment | (8,416) | (3,669) |
| Proceed from disposal of property, plant and equipment | 25 | 23 |
| Net cash used in investing activities | (8,391) | (3,646) |
| Financing Activities | | |
| Dividends paid | (11,445) | (11,464) |
| Purchase of treasury shares | (20) | (510) |
| Decrease in loans and borrowings | (12,083) | (17,911) |
| Net cash used in financing activities | (23,548) | (29,885) |
| Net decrease in cash and cash equivalents | (17,065) | (29,292) |
| Cash and cash equivalents at beginning of period | 80,589 | 150,058 |
| Cash and cash equivalents at end of period | 63,524 | 120,766 |

(The Condensed Consolidated Statement of Cash Flow shall be read in conjunction with the Annual Financial Report for the year ended 31 December 2017, 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 1st Quarter ended 31 March 2018.

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 23 May 2018.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements, for the period ended 31 March 2018, 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 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017 except the followings:-

MFRS 9 Financial Instruments

The Group adopted MFRS 9, Financial Instruments on 1 January 2018, MFRS 9 replaces the guidance in MFRS 139 Financial Instruments Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The three principal classifications categories for financial assets are measured at amortized cost fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There was no material impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

MFRS9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model Under MFRS 9, loss allowances will be measured on either 12 month ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts. MFRS 118 Revenue and related interpretations and it applied to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group elected to adopt the modified retrospective method.

Henceforth, the Group's revenue and cost of goods sold are shown below:-

| | CURRENT PERIOD | |
|---|----------------|----------------|
| | 1ST QUARTER | |
| | 31 MAR 2018 | 31 MAR 2017 |
| Timing of Revenue Recognition | Unaudited | Unaudited |
| | RM '000 | RM '000 |
| Goods transferred at a point in time | 139,340 | 142,610 |
| Services transferred over time | 6,436 | - |
| Total revenue from contracts with customers | 145,776 | 142,610 |

| | CURRENT PERIOD | |
|--------------------|----------------|----------------|
| | 1ST QUARTER | |
| | 31 MAR 2018 | 31 MAR 2017 |
| Cost of goods sold | Unaudited | Unaudited |
| | RM '000 | RM '000 |
| Cost of goods sold | 118,550 | 111,870 |
| Carriage outward | 6,436 | - |
| Effect of MFRS 15 | 124,986 | 111,870 |

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

Segmental financial information for the cumulative quarters has been prepared based on the geographical location as per the table append below.

| SEGMENTAL INFORMATION 31 March 2018 | Malaysia Operation | Vietnam Operation | Other Operation | Eliminations | Total |
|--|-----------------------|----------------------|--------------------|--------------|-----------|
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| Segment Revenue | | | | | |
| External sales | 110,051 | 18,831 | 16,894 | | 145,776 |
| Inter-segment sales | 6,226 | 4,201 | 817 | (11,244) | - |
| Total revenue | 116,277 | 23,032 | 17,711 | (11,244) | 145,776 |
| Segment Results | | | | | |
| Interest income | 63 | 8 | 5 | | 76 |
| Depreciation & amortisation | 5,930 | 1,216 | 702 | | 7,848 |
| Profit / (Loss) before tax | 7,881 | (3,580) | 759 | (245) | 4,815 |
| Segment Assets | | | | | |
| Total assets | 819,317 | 187,151 | 57,095 | - | 1,063,563 |
| Segment Liabilities | | | | | |
| Total liabilities | 243,167 | 57,925 | 13,243 | - | 314,335 |

| SEGMENTAL INFORMATION 31 March 2017 | Malaysia Operation | Vietnam Operation | Other Operation | Eliminations | Total |
|--|-----------------------|----------------------|--------------------|--------------|-----------|
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| Segment Revenue | | | | | |
| External sales | 109,299 | 19,770 | 13,541 | | 142,610 |
| Inter-segment sales | 4,591 | 3,901 | 457 | (8,949) | - |
| Total revenue | 113,890 | 23,671 | 13,998 | (8,949) | 142,610 |
| Segment Results | | | | | |
| Interest income | 584 | 2 | 14 | | 600 |
| Depreciation & amortisation | 8,093 | 2,317 | 571 | | 10,981 |
| Profit / (Loss) before tax | 7,089 | (1,151) | (47) | (479) | 5,412 |
| Segment Assets | | | | | |
| Total asset | 892,961 | 212,755 | 60,941 | - | 1,166,657 |
| Segment Liabilities | | | | | |
| Total liabilities | 299,444 | 84,780 | 10,406 | - | 394,630 |

Malaysia and Vietnam operations consists manufacturing and distribution activities, while the other operations were merely distribution function in ASEAN region and China.

Malaysia operation experiencing a slow pace in the construction industry, raw material cost, manufacturing overheads and operating expenses had increased by an average of 7% as compared with the corresponding period of last year. The sales had increased by 2% due to the effect of the marketing strategies deployed while the profit before tax had increased by 11% mainly due to the increased in unrealized foreign exchange gain.

Vietnam operation is facing stiff market condition. The loss before tax is higher than last year mainly due to the bulk sales of slow-moving finished goods at lower pricing.

Other operation had recorded higher sales and profit before tax mainly due to the contribution from the Singapore market.

7. SEASONALITY OF OPERATIONS

The Group's business operation is related to the construction and renovation industries. Due to the festive season in the first quarter, the business has performed at a slower pace and it is expected that the business in the forthcoming quarters would be performed better.

8. PROFIT BEFORE TAX

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

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|--|-----------------|----------------|--------------------|----------------|
| | 03 MONTHS ENDED | | 03 MONTHS ENDED | |
| | 31 MAR 2018 | 31 MAR 2017 | 31 MAR 2018 | 31 MAR 2017 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Interest income | (76) | (600) | (76) | (600) |
| Interest expense | 1,482 | 1,567 | 1,482 | 1,567 |
| Amortisation of prepaid lease payments | 707 | 839 | 707 | 839 |
| Depreciation of property, plant and equipment | 7,141 | 10,142 | 7,141 | 10,142 |
| Loss / (Gain) on disposal of property, plant and equipment | (5) | (183) | (5) | (183) |
| Write down of property, plant and equipment | 14 | 206 | 14 | 206 |

9. INCOME TAX EXPENSE

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.

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|----------------------|-----------------|----------------|--------------------|----------------|
| | 03 MONTHS ENDED | | 03 MONTHS ENDED | |
| | 31 MAR 2018 | 31 MAR 2017 | 31 MAR 2018 | 31 MAR 2017 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Current Tax: | | | | |
| Malaysian Income Tax | 1,813 | 1,905 | 1,813 | 1,905 |
| Foreign Tax | 90 | 26 | 90 | 26 |
| | 1,903 | 1,931 | 1,903 | 1,931 |
| Deferred Tax | (900) | (750) | (900) | (750) |
| Total Tax | 1,003 | 1,181 | 1,003 | 1,181 |

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 earnings per share :-

| | CURRENT QUARTER 03 MONTHS ENDED | |
|--|------------------------------------|----------------|
| | 31 MAR 2018 | 31 MAR 2017 |
| Profit net of tax attributable to owners of the parent used in the computation of earning per share (RM'000) | 3,813 | 4,240 |
| Weighted average number of ordinary shares in issue ('000) | 240,000 | 240,000 |
| Treasury shares | 11,104 | 10,998 |
| Net Weighted average number of ordinary shares in issue ('000) | 228,896 | 229,002 |
| Basic earnings per share (sen per share) | 1.67 | 1.85 |

11. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2018, the Group acquired assets of RM 8.4 million (31 March 2017 : RM 3.7 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. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:-

| | 31 MAR 2018 RM '000 | 31 MAR 2017 RM '000 |
|------------------------------------|---------------------------|---------------------------|
| Cash on hand and at banks | 52,940 | 48,938 |
| Short term deposits with banks | 10,584 | 71,828 |
| Total Cash and Cash Equivalents | 63,524 | 120,766 |

14. 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.

15. SHARE CAPITAL AND TREASURY SHARES

Subsequent to the end of the first quarter, the Company had further purchased its own shares as treasury shares as at 16 May 2018, which were not for resale or cancelled.

Details of the treasury shares are as follows

| Month | No. of shares purchased | Purchase Price | | Average Price | Total Consideration |
|------------------------|-------------------------------|----------------|--------|------------------|------------------------|
| | | Highest | Lowest | | |
| | | RM | RM | RM | RM |
| Balance as at 31-03-18 | 11,104,200 | 2.5000 | 0.9200 | 1.5504 | 17,316,983 |
| April & May 2018 | 16,000 | 1.8600 | 1.8400 | 1.8563 | 29,898 |
| Balance as at 16-05-18 | 11,120,200 | 2.5000 | 0.9200 | 1.5464 | 17,346,881 |

16. INTEREST-BEARING LOANS AND BORROWINGS

| | Borrowings as at 31 March 2018 | | | | | | | | | |
|-----------------------|--------------------------------|------------|-----------------|------------|-------------|------------|-----------------|------------------|-------------|------------|
| | Long term | | | | Short term | | | Total borrowings | | |
| | USD '000 | RM '000 | VND '000,000 | SD '000 | USD '000 | RM '000 | VND '000,000 | SD '000 | USD '000 | RM '000 |
| Secured | | | | | | | | | | |
| Term loan | - | | | | - | | | - | - | - |
| Unsecured | | | | | | | | | | |
| Term loan | | 9,000 | | | - | 4,000 | - | - | - | 13,000 |
| Revolving Credit | | | | | 30,076 | | - | - | 30,076 | - |
| Trade lines | - | | 12,006 | | 502 | 43,960 | 12,006 | - | 502 | 43,960 |
| Hire Purchase | | | | - | | | - | - | - | - |
| Sub-total | - | 9,000 | 12,006 | - | 30,578 | 47,960 | 12,006 | - | 30,578 | 56,960 |
| Total | - | 9,000 | 12,006 | - | 30,578 | 47,960 | 12,006 | - | 30,578 | 56,960 |
| Foreign exchange rate | | 1.0000 | 0.1690 | - | 3.8620 | 1.0000 | 0.1690 | - | 3.8620 | 1.0000 |
| RM'000 Equivalent | - | 9,000 | 2,029 | - | 118,092 | 47,960 | 2,029 | - | 118,092 | 56,960 |
| Total (RM'000) | | 9,000 | | | | 168,081 | | | | 177,081 |

| | Borrowings as at 31 March 2017 | | | | | | | | | |
|-----------------------|--------------------------------|------------|-----------------|------------|-------------|------------|-----------------|------------------|-------------|------------|
| | Long term | | | | Short term | | | Total borrowings | | |
| | USD '000 | RM '000 | VND '000,000 | SD '000 | USD '000 | RM '000 | VND '000,000 | SD '000 | USD '000 | RM '000 |
| Secured | | | | | | | | | | |
| Term loan | 227 | | | | - | | | - | 227 | - |
| Unsecured | | | | | | | | | | |
| Term loan | | 13,000 | | | - | 4,000 | - | - | - | 17,000 |
| Revolving Credit | | | 86,925 | | 34,342 | | 86,925 | - | 34,342 | - |
| Trade lines | - | | - | | 6,204 | 11,596 | - | - | 6,204 | 11,596 |
| Hire Purchase | | | | 27 | | | 27 | - | - | - |
| Sub-total | - | 13,000 | 86,925 | 27 | 40,546 | 15,596 | 86,925 | 27 | 40,546 | 28,596 |
| Total | 227 | 13,000 | 86,925 | 27 | 40,546 | 15,596 | 86,925 | 27 | 40,773 | 28,596 |
| Foreign exchange rate | 4.4265 | 1.0000 | 0.1950 | 3.1668 | 4.4265 | 1.0000 | 0.1950 | 3.1668 | 4.4265 | 1.0000 |
| RM'000 Equivalent | 1,004 | 13,000 | 16,950 | 85 | 179,476 | 15,596 | 16,950 | 85 | 180,480 | 28,596 |
| Total (RM'000) | | 14,004 | | | | 212,107 | | | | 226,111 |

The unsecured borrowings are subject to corporate guarantee and negative pledge

All borrowings are based on the floating interest rate and its weighted average interest rate is about 4.5% per annum.

There was a borrowings reduction of RM 49 million in the current year to-date as compare to the same corresponding period in the immediate preceding year. It was a repayment of debt, which fell due for settlement, henceforth, no interest savings incurred as it was not a prepayment of debt.

There are two local currency borrowings denominated in Ringgit Malaysia and Vietnamese Dong for Malaysia operation and Vietnam operation respectively.

No hedging was made for the borrowings denominated in United State Dollar, as source of repayment of which is from the export proceeds denominated in the same currency.

17. PROVISIONS FOR COSTS OF RESTRUCTURING

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

18. DIVIDEND

An interim 5 sen per share tax-exempted dividend in respect of the financial year of 2017, amounting to RM11.4 million was paid on 10 January 2018.

No interim dividend has been declared for the current quarter ended 31 March 2018 (31 March 2017: Nil).

However, at the Annual General Meeting on 23 May 2018, a final tax exempt dividend of 2 sen per share (Year 2016: 5 sen) amounting to RM4.6 million, in respect of the financial year ended 31 December 2017 has been approved by the shareholders. The total tax-exempt dividend for the financial year of 2017 would be amounting to 7 sen per share (Year 2016: 10 sen per share). The financial statements for the current quarter do not reflect this approved dividend

19. COMMITMENT

| | 31 MAR 2018 RM '000 | 31 MAR 2017 RM '000 |
|---------------------------------|---------------------------|---------------------------|
| Capital expenditure :- | | |
| Approved and contracted for | | |
| Property, plant and equipment | 1,800 | 11,600 |
| Approved but not contracted for | | |
| Property, plant and equipment | - | 2,000 |
| Total Commitment | 1,800 | 13,600 |

20. 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.

21. 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 2018 and 31 March 2017 as well as the balances with the related parties as at 31 March 2018 and 31 December 2017.

| Key Management Personnel of the Group : Directors' interest | | Sales to related parties RM '000 | Purchases from related parties RM '000 | Amounts owed by related parties RM '000 | Amounts owed to related parties RM '000 |
|---|------|-------------------------------------|---|--|--|
| White Horse Ceramic Co Ltd | 2018 | 2,407 | - | 4,655 | - |
| | 2017 | 567 | - | 4,256 | - |
| Teobros Ceramica Sdn Bhd | 2018 | 8,289 | 57 | 27,651 | 148 |
| | 2017 | 6,603 | 63 | 28,523 | 139 |
| White Horse Investment (S) Pte Ltd | 2018 | - | - | - | 60,633 |
| | 2017 | - | - | - | 63,773 |

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

22. EVENTS AFTER THE REPORTING PERIOD

There were no significant subsequent events after the reporting period.

23. PERFORMANCE REVIEW

| | CURRENT PERIOD 1ST QUARTER | | Change + / (-) | |
|-------------------|-------------------------------|----------------|-------------------|--------|
| | 31 MAR 2018 | 31 MAR 2017 | | |
| | Unaudited | Unaudited | RM '000 | % |
| Revenue | 145,776 | 142,610 | 3,166 | 2.2% |
| Gross Profit | 20,790 | 30,740 | (9,950) | -32.4% |
| Profit Before Tax | 4,816 | 5,421 | (605) | -11.2% |

The revenue for the current quarter was higher by 2.2% as compared to the same corresponding period of last year, due to the effect of the marketing strategies.

After taken into the effect of MFRS 15 on the cost of goods sold, the gross profit and profit before tax had reduced by 11.4% and 11.2% respectively mainly due to higher production cost, in particularly the natural gas price, which had increased by 22.5%, amounting to RM 3.3 million

24. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

| | Current Quarter 31 Mar 2018 Unaudited | Immediate Preceding Quarter 31 Dec 2017 Unaudited | Change + / (-) | |
|-------------------------------|---|--|-------------------|---------|
| | RM '000 | RM '000 | RM '000 | % |
| Revenue | 145,776 | 169,101 | (23,325) | -13.8% |
| Gross Profit | 20,790 | 12,157 | 8,633 | 71.0% |
| Profit / (Loss) Before Tax | 4,816 | (19,128) | 23,944 | -125.2% |

The revenue for the current quarter is 13.8% lower than the immediate preceding quarter mainly due to the lower sales volume achieved in the first quarter of the year, which is a norm in the ceramic tiles industry.

The gross profit and profit before tax for the current quarter are more than the immediate preceding quarter mainly due to the written down / provision of slow-moving stock at the year-end of 2017, a recurrence transaction at the end of each financial year.

25. 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, pricing strategy, marketing structure, fluctuation in foreign currencies, high production and operating costs, which have a great impact to the bottom-line of the Group.

Counter measures would be taken from time to time to enhance the manufacturing efficiency and productivity, new products development, cost-control and market restructuring to address such challenges.

26. PROFIT FORECAST OR PROFIT GUARANTEE

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

27. CORPORATE PROPOSALS

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

28. CHANGES IN MATERIAL LITIGATION

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

29. DIVIDEND PAYABLE

Please refer to Note 18 for details.

30. DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVES

There was no outstanding derivative as at the reporting period

31. 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.

32. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.