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# ANNUAL REPORT 2023



VISION

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**TO BECOME A WORLD CLASS  
CERAMIC TILES MANUFACTURER**

成為國際頂尖磁磚製造商

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Liao Shen Hua**

*(Chairman/ Managing Director)*

### **Teo Swee Teng**

*(Deputy Managing Director)*

### **Cheng Soon Mong**

*(Deputy Managing Director)*

### **Teo Kim Lap**

*(Non-Independent Non-Executive Director)*

### **Teo Kim Tay**

*(Non-Independent Non-Executive Director)*

### **Liao Shen Yao**

*(Non-Independent Non-Executive Director)*

### **Liao, Hung-Chang**

*(Non-Independent Non-Executive Director)*

### **Rosita Yeo Swat Geok**

*(Senior Independent Non-Executive Director)*

### **Lau Lee Jan**

*(Independent Non-Executive Director)*

### **Tai Lam Shin**

*(Independent Non-Executive Director)*

## AUDIT COMMITTEE

### **Tai Lam Shin**

*(Chairman, Independent Non-Executive Director)*

### **Rosita Yeo Swat Geok**

*(Member, Senior Independent Non-Executive Director)*

### **Liao, Hung-Chang**

*(Member, Non-Independent Non-Executive Director)*

## NOMINATION COMMITTEE

### **Rosita Yeo Swat Geok**

*(Chairperson, Senior Independent Non-Executive Director)*

### **Lau Lee Jan**

*(Member, Independent Non-Executive Director)*

### **Liao, Hung-Chang**

*(Member, Non-Independent Non-Executive Director)*

## REMUNERATION COMMITTEE

### **Rosita Yeo Swat Geok**

*(Chairperson, Senior Independent Non-Executive Director)*

### **Lau Lee Jan**

*(Member, Independent Non-Executive Director)*

### **Cheng Soon Mong**

*(Member, Deputy Managing Director)*



CORPORATE INFORMATION  
(CONT'D)**SECRETARY**

Chua Siew Chuan  
(SSM PC No. 201908002648) (MAICSA 0777689)

**REGISTERED OFFICE**

PL0 464, Jalan Gangsa  
Pasir Gudang Industrial Estate  
81700 Pasir Gudang  
Johor Darul Takzim  
Tel : (60)7 – 251 1111  
Fax : (60)7 – 251 8855  
Email : whb@whitehorse.com.my

**REGISTRAR**

Securities Services (Holdings) Sdn Bhd  
[Reg No. 197701005827 (36869-T)]  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Tel : 603 – 2084 9000  
Fax : 603 – 2094 9940  
Email : info@sshsb.com.my

**AUDITORS**

Crowe Malaysia PLT  
201906000005 (LLP0018817-LCA) & AF 1018  
No. 52, Jalan Kota Laksamana 2/15  
Taman Kota Laksamana, Seksyen 2  
75200 Melaka  
Tel : 606 – 2825 995  
Fax : 606 – 2836 449

**PRINCIPAL BANKERS**

Malayan Banking Berhad  
[Reg No. 196001000142 (3813-K)]  
69-75, Jalan Meranti Merah  
Taman Kebun Teh  
80250 Johor Bahru  
Johor Darul Takzim

Malayan Banking Berhad  
[Reg No. 196001000142 (3813-K)]  
14 Pusat Perdagangan  
Jalan Bandar  
81700 Pasir Gudang  
Johor Darul Takzim

AmBank (M) Berhad  
[Reg No. 196901000166 (8515-D)]  
Level 31, Selesa Tower  
Jalan Dato' Abdullah Tahir  
80300 Johor Bahru  
Johor Darul Takzim

United Overseas Bank (Malaysia) Berhad  
[Reg No. 199301017069 (271809-K)]  
8, Jalan Ponderosa 2/1  
Taman Ponderosa  
81100 Johor Bahru  
Johor Darul Takzim

RHB Bank Berhad  
[Reg No. 196501000373 (6171-M)]  
10 Pusat Perdagangan  
Jalan Bandar  
81700 Pasir Gudang  
Johor Darul Takzim

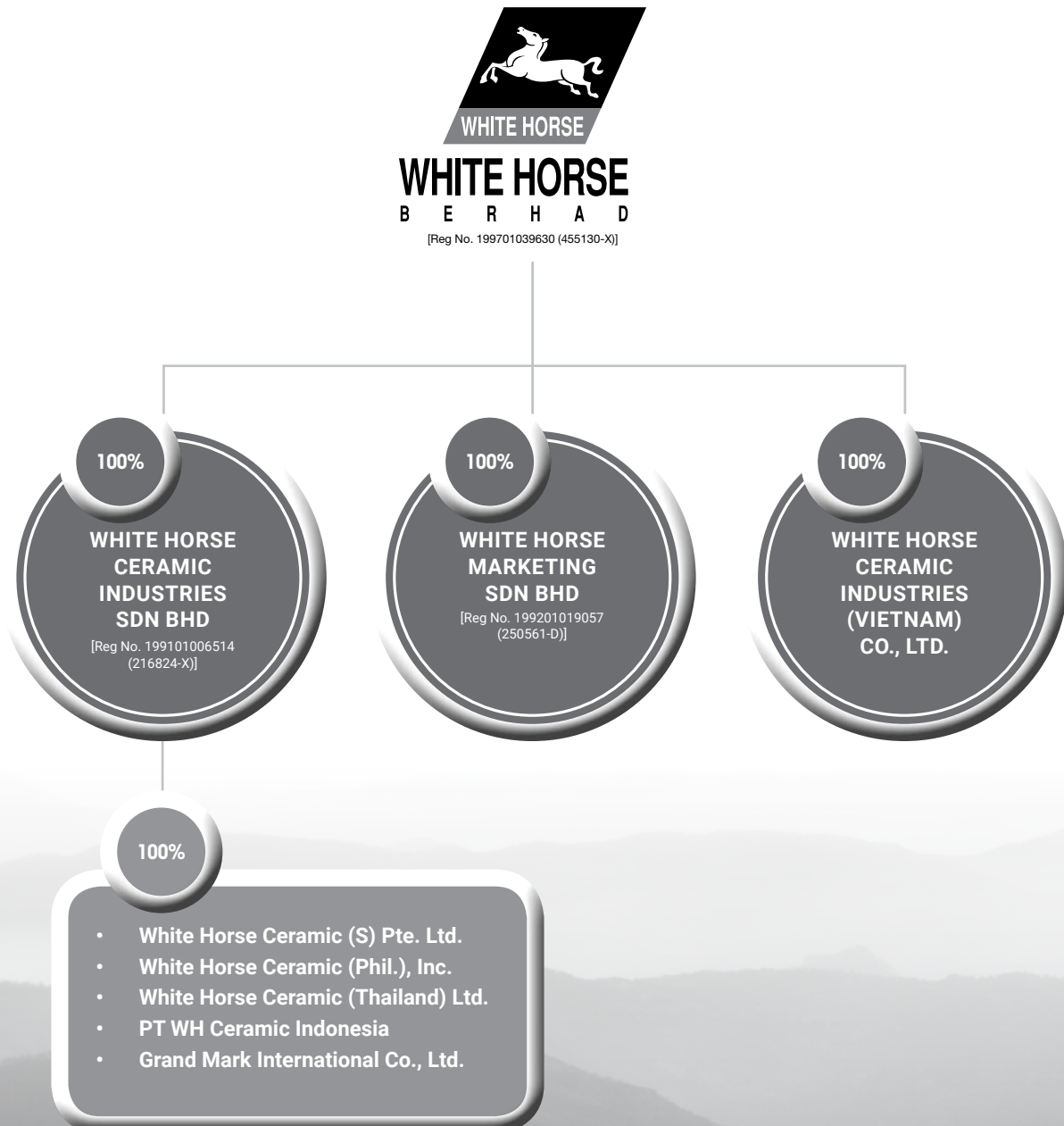
**STOCK EXCHANGE**

Main Market of Bursa Malaysia Securities Berhad

**WEBSITE**

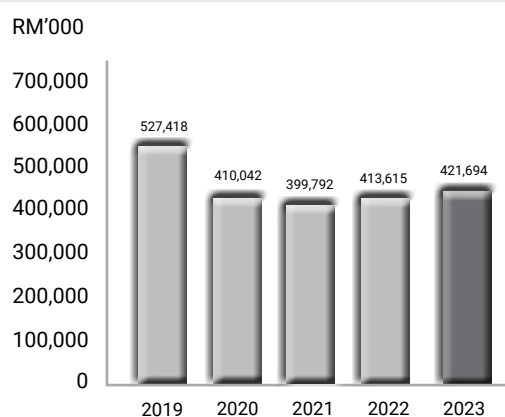
[www.whitehorse.my](http://www.whitehorse.my)

# CORPORATE STRUCTURE

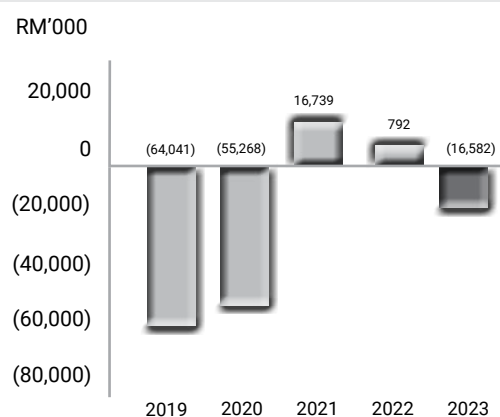


## FINANCIAL HIGHLIGHTS

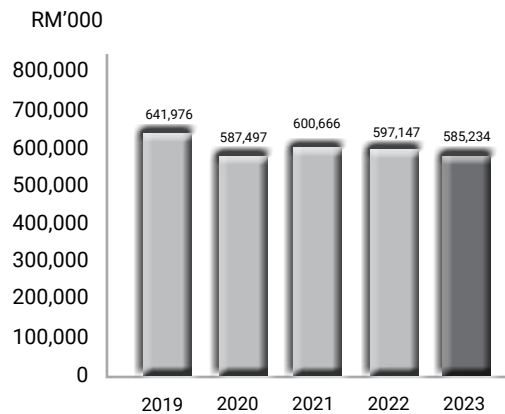
### Revenue (RM'000)



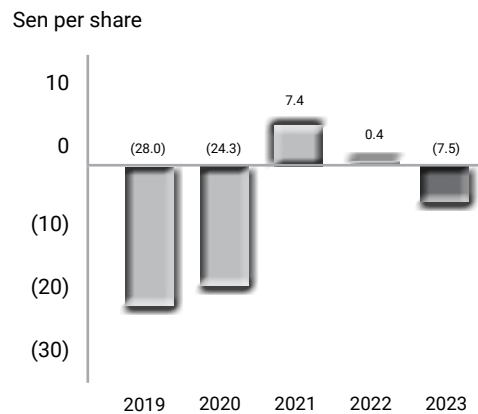
### Profit after Tax (RM'000)



### Shareholder's Funds (RM'000)



### Earnings per share \* (Sen per share)



\* earnings/(loss) per share is calculated by dividing profit/(loss) after taxation with weighted average number of ordinary shares in issue.

## BOARD OF DIRECTORS' PROFILE

### **LIAO SHEN HUA**

*Chairman/Managing Director*

Taiwanese / Male / Aged 61

Mr. Liao Shen Hua ("**Mr. Liao SH**") was appointed to the Board on 6 August 1999. He was re-designated from Non-Independent Non-Executive Director to Chairman/Managing Director on 11 February 2022.

Mr. Liao SH holds a Diploma in electrical engineering from Ta Hua College of Technology, Taiwan. He was introduced to the ceramic tiles industry soon after his graduation in 1987. Mr. Liao SH joined White Horse Ceramic Industries Sdn. Bhd. since 1991 as the Executive Director in charge of manufacturing and was responsible for the overall manufacturing operation of White Horse Ceramic Industries Sdn. Bhd. He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the brother of Mr. Liao Shen Yao and cousin of Mr. Liao, Hung-Chang, who are the Directors and major shareholders of White Horse Berhad.

### **TEO SWEE TENG**

*Deputy Managing Director*

Malaysian / Male / Aged 67

Mr. Teo Swee Teng ("**Mr. Teo ST**") was appointed to the Board on 6 August 1999.

His first involvement in the ceramic tiles industry began in 1983 upon completing his secondary education when he started a business in marketing and distributing of ceramic tiles.

Mr. Teo ST presently sits on the board of several private limited companies in Malaysia. He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the brother of Mr. Teo Kim Lap and Mr. Teo Kim Tay, who are the Directors and major shareholders of White Horse Berhad.

### **CHENG SOON MONG**

*Deputy Managing Director*

*Member of the Remuneration Committee*

Singaporean / Male / Aged 81

Mr. Cheng Soon Mong ("**Mr. Cheng**") was appointed to the Board on 6 August 1999.

He graduated from high school and has over 47 years of experience in the ceramic tiles business. Mr. Cheng has been an Executive Director of White Horse Ceramic Industries Sdn. Bhd. since its incorporation in 1991.

Mr. Cheng also sits on the board of several private limited companies in Malaysia. He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is not related to any other Directors on the Board nor major shareholders of the Company.



BOARD OF DIRECTORS' PROFILE  
(CONT'D)**TEO KIM LAP***Non-Independent Non-Executive Director*

Malaysian / Male / Aged 65

Mr. Teo Kim Lap ("**Mr. Teo KL**") was appointed to the Board on 6 August 1999.

Together with his brothers, he ventured into the ceramic tiles business upon completion of his secondary education.

Mr. Teo KL presently sits on the board of several private limited companies in Malaysia. He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the brother of Mr. Teo Swee Teng and Mr. Teo Kim Tay, who are the Directors and major shareholders of White Horse Berhad.

**TEO KIM TAY***Non-Independent Non-Executive Director*

Malaysian / Male / Aged 60

Mr. Teo Kim Tay ("**Mr. Teo KT**") was appointed to the Board on 6 August 1999.

He ventured into the ceramic tiles industry upon completion of his secondary education.

Mr. Teo KT presently sits on the board of several private limited companies in Malaysia. He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the brother of Mr. Teo Kim Lap and Mr. Teo Swee Teng, who are the Directors and major shareholders of White Horse Berhad.

**LIAO SHEN YAO***Non-Independent Non-Executive Director*

Taiwanese / Male / Aged 59

Mr. Liao Shen Yao ("**Mr. Liao SY**") was appointed to the Board on 22 June 2021.

Mr. Liao SY completed his education at Cheng Kung Senior High School in Taiwan. After Mr. Liao SY served his national service, Mr. Liao SY joined White Horse Ceramic Taiwan in 1982. He has more than 32 years of experience in managing various departments such as research and development, manufacturing, purchasing, human resources etc. In year 2000, he was appointed as the Manufacturing Director of Vietnam plant in charge of the manufacturing, purchasing and human resources departments. Over the years, he has gained vast knowledge and expertise in ceramic tiles manufacturing, raw materials management and machinery handling.

He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the brother of Mr. Liao Shen Hua and cousin of Mr. Liao, Hung-Chang, who are the Directors and major shareholders of White Horse Berhad.

BOARD OF DIRECTORS' PROFILE  
(CONT'D)

**LIAO, HUNG-CHANG**

*Non-Independent Non-Executive Director*

*Members of the Audit Committee and Nomination Committee*

Taiwanese / Male / Aged 39

Mr. Liao, Hung-Chang ("**Mr. Liao HC**") was appointed as an Alternate Director to Mr. Liao Yuan Shun on 22 November 2021. That consequent upon the retirement of Mr. Liao Yuan Shun as Chairman cum Managing Director of the Company on 10 February 2022, Mr. Liao HC ceased to be the Alternate Director to Mr. Liao Yuan Shun on the same day. Subsequently, Mr. Liao HC was appointed to the Board as a Non-Independent Non-Executive Director on 11 February 2022.

Mr. Liao HC holds a Bachelor Degree of International Relations from Tunghai University, Taichung, Taiwan. Subsequently he obtained his Masters Degree of International Marketing in 2015 from Hult International Business School, Boston, United States of America. Mr. Liao HC has working experience in aviation, consulting and luxury retailing industries. He has over ten (10) years of work experience in areas encompassing operations, marketing and communications and project management. In 2016 to 2020, he joined White Horse Ceramic Industries Sdn. Bhd. assuming the role of SAP Project Manager and Marketing Manager. Prior to joining White Horse Board of Directors, he was employed in the marketing and communications department of a luxury goods company in Taiwan.

He does not have any directorships in other public companies and public listed companies.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is the cousin of Mr. Liao Shen Hua and Mr. Liao Shen Yao, who are the Directors and major shareholders of White Horse Berhad.

**TAI LAM SHIN**

*Independent Non-Executive Director*

*Chairman of the Audit Committee*

Malaysian / Male / Aged 66

Mr. Tai Lam Shin ("**Mr. Tai**") was appointed to the Board and Chairman of the Audit Committee on 1 July 2019.

Mr. Tai's qualifications include member of the Malaysian Institute of Accountant (MIA) and Fellow of the Chartered Certified Accountants (FCCA), United Kingdom.

He is exposed and experienced in areas of audit assurance, financial and corporate advisory, due diligence review and reporting accountants to public listed corporations, multinationals and private companies.

He sits as an Independent Non-Executive Director on the Board of Keck Seng (Malaysia) Berhad and Non-Independent Non-Executive Director of MCE Holdings Berhad, both public companies listed on Bursa Malaysia Securities Berhad.

He has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. He is not related to any other Directors on the Board nor major shareholders of the Company.

**LAU LEE JAN**

*Independent Non-Executive Director*

*Members of the Remuneration Committee and Nomination Committee*

Singaporean / Female / Aged 67

Ms. Lau Lee Jan ("**Ms. Lau**") was appointed to the Board on 22 August 2018.

Ms. Lau graduated with a Bachelor of Law LLB (Honours) in 1981 from the National University of Singapore. She was admitted as an advocate and solicitor to the High Court of Malaya on 5 June 1982 and commenced her private legal practice in Johor Bahru. In 1986, she obtained admission as an advocate and solicitor to the Supreme Court of Singapore. She joined Tay & Partners in 1990 and managed the Johor Bahru branch office until her retirement on 31 December 2016.

Ms. Lau does not have any directorships in other public companies and public listed companies.

She has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. She is not related to any other Directors on the Board nor major shareholders of the Company.

BOARD OF DIRECTORS' PROFILE  
(CONT'D)**ROSITA YEO SWAT GEOK***Senior Independent Non-Executive Director**Chairpersons of the Nomination Committee  
and Remuneration Committee  
Member of the Audit Committee*

Malaysian / Female / Aged 71

Ms. Rosita Yeo Swat Geok ("**Ms. Yeo**") was appointed to the Board on 19 April 2013.

Ms. Yeo graduated with a Bachelor Degree of Law LBB (Honours) in 1978 from University of Singapore and has been actively practicing law since then. She has been managing her own law firm, Messrs. Yeo & Co Advocates & Solicitors from June 1989 to June 2016. With effect from 1 July 2016, she is practicing as a consultant at a law firm namely Messrs. Chua & Partners.

Ms. Yeo does not have any directorships in other public companies and public listed companies.

She has attended all four (4) Board of Directors' Meetings held in the financial year ended 31 December 2023. She is not related to any other Directors on the Board nor major shareholders of the Company.

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**Conflict of Interest**

Apart from Mr. Tai Lam Shin, Mr. Cheng Soon Mong, Ms. Lau Lee Jan and Ms. Rosita Yeo Swat Geok, the rest of the Directors are deemed interested in the recurrent related party transactions, of which a shareholders' mandate has been obtained in the Annual General Meeting held on 25 May 2023. Details pertaining to these transactions are disclosed in the Audited Financial Statements for the financial year ended 31 December 2023 and Part A of the Circular/Statement to Shareholders which are downloadable from the Company's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

**Conviction of Offence**

None of the Directors have been convicted of any offence within the past five (5) years, other than the traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies, during the financial year ended 31 December 2023.

## KEY SENIOR MANAGEMENT PROFILE

### **KWAN KIM FOOK**

*Regional Financial Controller*

Malaysian, Male, Aged 65

Mr. Kwan Kim Fook joined White Horse Ceramic Industries Sdn. Bhd. ("WHCI") on 16 June 1997 as the Financial Controller. He holds a Bachelor Degree in Accounting from the University of Malaya and is a member of the Malaysian Institute of Accountants. He had worked with Bank Negara Malaysia for several years and multi-national companies before joining WHCI. He was appointed as Regional Financial Controller on 1 March 2014.

### **RAYMOND LOO KIM HUAT**

*General Manager, Marketing*

Malaysian, Male, Aged 56

Mr. Raymond Loo Kim Huat joined White Horse Marketing Sdn. Bhd. on 15 May 2000 as the Regional Manager for domestic sales. He graduated from University of Malaya with a Degree in Arts majoring in Economics. Before joining the Company, he worked in Public Bank Berhad for three (3) years and a building materials company for five (5) years. He was appointed as General Manager of domestic sales division on 1 January 2013.

### **LUO TSU-TE**

*Assistant General Manager, Manufacturing*

Taiwanese, Male, Aged 54

Mr. Luo Tsu-Te joined WHCI on 28 April 2006 as the Assistant General Manager of manufacturing division. He holds a Diploma in Ceramic Engineering from National United University, Taiwan. He served in the Republic of China Armed Forces as a Lieutenant for four (4) years before joining White Horse Ceramic Co., Ltd., Taiwan's Research and Development Department. He is responsible for overseeing the daily operations in both manufacturing facilities in Malaysia.

### **TAN CHIN GOAN**

*Senior Manager, Human Resources*

Malaysian, Male, Aged 63

Mr. Tan Chin Goan joined WHCI on 18 July 1997. He completed his Degree in Commerce at the University of Windsor, Canada. Prior to joining WHCI, he has eleven (11) years of experience in the field of administration and human resources functions in various companies. He is responsible for the human resources function in the Group. He was appointed as Senior Manager on 1 January 2003.

None of the above Key Senior Management has any:

- directorships in public companies and public listed companies;
- family relationship with any Directors and/or major shareholders of the Company;
- personal interest or conflict of interest in any business arrangement involving the Group;
- conviction for offences within the past five (5) years other than traffic offences (if any); and
- public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Board of Directors of White Horse Berhad, it is our pleasure to present the Management Discussion and Analysis (MD&A) for the financial year ended 31 December 2023 ("**FYE 2023**").

### Overview of Group's Business and Operations

White Horse Berhad ("**White Horse**" or "**the Company**") strives to be a reputable manufacturer of premium quality tiles. The vision of White Horse is "**to become a world class ceramic tiles manufacturer**".

The Group is involved in the manufacturing of ceramic and porcelain tiles. With a sole vision to pursue, the Group remains steadfast in its sole business objective of offering ceramic tiles of par excellence to the market.

We strongly believe in building our forte and expertise in ceramic tiles manufacturing and has never wavered from our sole business segment by diversifying into other non-related businesses.

White Horse entered the industry as a humble player in 1992. Currently, the Group has two (2) manufacturing facilities in Johor, Malaysia.

At present, our products are sold both domestically and internationally to more than thirty (30) countries in the world. Domestically, we have a strong marketing network of eleven (11) marketing offices, ten (10) distribution centres and five (5) major showrooms, "**Ceramic World**", to provide a prompt service to our dealers and end consumers.

Apart from the five (5) overseas subsidiaries in Singapore, Philippines, Thailand, Indonesia and China, we have an international sales team to service our overseas customers in other countries.

The following table highlights the financial information of our group for the past five (5) financial years.

	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	527,418	410,042	399,792	413,615	421,694
(Loss) / Earnings before interest, taxes, depreciation and amortisation	(14,893)	(14,562)	68,818	35,533	1,855
(Loss) / Profit before tax	(61,736)	(61,855)	25,538	6,998	(16,392)
Interest expense	9,447	7,089	11,648	3,221	4,713
(Loss) / Profit after tax	(64,041)	(55,268)	16,739	792	(16,582)
Shareholders' equity	641,976	587,497	600,666	597,147	585,234
Total assets	946,849	851,273	756,527	763,502	748,837
Loans and borrowings	188,026	145,477	70,938	97,882	97,187
(Loss) / Earnings per share (sen)	(28.0)	(24.3)	7.4	0.4	(7.5)
Net assets per share (RM)	2.81	2.58	2.66	2.71	2.65



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### **Financial Performance Overview**

#### **Review of Financial Results for the financial year ended 31 December 2023 ("FYE 2023") and Financial Condition**

For the FYE 2023, the Group recorded a turnover of RM 421.7 million, an increase of 2.0% as compared to the previous financial year. The increase in revenue was mainly due to improvement in the market sentiment.

The Group incurred a loss before tax of RM 16.4 million for the FYE 2023, as opposed to a profit before tax in the previous financial year, mainly due to higher fuel cost, in particularly the natural gas and electricity, which had increased by RM 5 million and RM9.7 million respectively.

Interest expense of borrowings amounting to RM 4.7 million, an increase of 46.3% as compared to the previous financial year mainly due to the interest rate hike in the trade-related borrowings for the current year. The interest income has been increased by 34.7% from RM 3.8 million to RM 5.1 million.

The gearing ratio stood at 16.6% as compared to 16.4% of previous financial year, a marginal increment due to a long term borrowing of RM 17.0 million, alongside with the on-going repayment of loan.

Cash and bank balances amounted to RM 171.4 million, an increase of 23.8% as compared to previous financial year of RM 138.4 million, mainly due to the improvement in the inventory management.

The trade receivables (excluding related parties) stood at RM 74.4 million, an increase of RM 10.7 million or 16.8% as compared to previous financial year due to higher revenue in the year end.

Other than a lower non-operating income, the gross profit was lower by 25.1%, mainly due to the higher fuel cost. However, the operating expense was lower by 7.1% as compared with the previous financial year due to the cost reduction measures.

#### **Review of Financial Condition**

The market condition in the construction and renovation industries is the only factor that determines our capital expenditure to be taking place in the forthcoming years.

In order to continue improving our bottom line and cash flow, our Group has implemented the followings:-

- (1) Stringent credit control to improve the Group's cash inflow and to reduce the risk of non-performance trade receivables.
- (2) Rationalisation of inventories management together with the changes in production mix resulted in the positive contribution to the inventories control and improvement of productivity and efficiency.
- (3) Continuing to develop and launch new products with higher margin and launching it into the market regularly.

Financial condition and liquidity are considered at a manageable level and possessed adequate working capital to meet the current operating condition. In addition, the Group has sufficient banking facilities for future requirements.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### **Known and Anticipated Risks**

The Group is exposed to a variety of market and financial risks, including foreign currency exchange rate, borrowings interest rate hike and credit risks.

For market risk, the Group's business operates in a stiff competitive environment with local manufacturers and importers. To remain competitive, our Group focuses on the wide product range and high-quality products as to uphold our premium pricing over the competitors. This is supported by our continuous research and development efforts and product innovation. Our Group is dependent on foreign workers to a certain extent, henceforth we also feel the strain on current nationwide shortage of foreign labour and are unable to increase our production capacity due to manpower shortage.



Regards to the borrowing interest rate hike risk, we conduct cost-savings measures across the board and to enforce stringent credit control procedure, so as to generate positive cash flow and to minimise our borrowings. Another prevailing risk under the existing unstable economic conditions will be non-collection from customers. As a precaution measure, the Group has tightened our credit control policy across the subsidiaries to minimise credit risk.

### **Dividend**

For the financial year ended 31 December 2023, the Company did not declare dividend. Dividend payout is dependent on factors such as Company's profitability, liquidity, business investments enhancement and operational requirements for the year and subsequent years.

### **Looking Forward**

On a global note, global GDP growth is projected to slow from an estimated 2.7 per cent in 2023 to 2.4 per cent in 2024. While the world economy avoided the worst-case scenario of a recession in 2023, a protracted period of low growth looms large.

Domestically, construction sector growth is forecasted at 6.8% following better performance in all subsectors, underpinned by strategic infrastructure and utilities projects as well as the development of affordable public and private housing.



We have been improving our inventory management by improving stock turnover and constantly adjusting production mix to better react to the everchanging tastes of the consumers.

Going forward, we are optimistic that our results will reflect for the better. Bearing the challenges ahead in mind, we will continue to focus on efforts in improving operational and cost efficiencies in order to maximise value to all stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS  
(CONT'D)

**Recognition and Appreciation**

On behalf of the Board of Directors, I would like to thank the Management and staff of the Group for their commitment, efforts and dedication to the Group for the past year.

I would also like to express our heartfelt gratitude to our valued customers, business associates, suppliers, shareholders, financial institutions and various government and regulatory authorities. We look forward to their continued support in the years to come.

**LIAO SHEN HUA**  
**GROUP CHAIRMAN**





# SUSTAINABILITY STATEMENT

## About this Statement

This sustainability statement (Statement) reports on the sustainability strategies and initiatives undertaken by White Horse Berhad (White Horse) on our business operations as well as explain how we are able to create and sustain long-term value, in line with our vision “TO BECOME A WORLD CLASS CERAMIC TILES MANUFACTURER”.

This Statement aims to communicate our initiatives in managing our environmental, social and governance (ESG) matters arising from our business operations. Through these disclosures, we endeavour to share our efforts in addressing some of our ESG aspects of sustainability that affect and are material to our business operations.

## Reporting Period

This Statement encompasses our ESG performance for financial year (FY) 2023, commencing on 1 January 2023 to 31 December 2023.

## Scope of Reporting

The scope of this Statement covers our business operations in Malaysia only and encompasses our two (2) manufacturing plants in Johor as well as our network of 11 marketing offices, 10 distribution centres and five (5) major showrooms throughout Malaysia. This Statement can be found at our website in the Annual Reports section at [www.whitehorse.my](http://www.whitehorse.my). Details of each of the centre is indicated in the “Our Operations” section of this statement.

## Reporting Framework

This Statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (Bursa Malaysia) Main Market Listing Requirements, with the guidance from Bursa Malaysia’s Sustainability Reporting Guide and Toolkits (3rd Edition) as well as the Global Reporting Initiative (GRI) Standards.

## Feedback

We welcome all queries and feedback from our stakeholders regarding this statement. For further information or clarification, please email to [whb@whitehorse.com.my](mailto:whb@whitehorse.com.my)

## Sustainability Highlight

Area of Sustainability	Sustainability Goals
Environmental	<ul style="list-style-type: none"> <li>Analyse and set target to establish our Greenhouse Gas (GHG) Emission baseline and improvement measures.</li> </ul>
Social	<ul style="list-style-type: none"> <li>Zero work fatality</li> </ul>
Governance	<ul style="list-style-type: none"> <li>100% compliance with local laws and regulations</li> <li>Zero corruption, bribery and whistle blowing case</li> </ul>

SUSTAINABILITY STATEMENT  
(CONT'D)

## A. OUR PRESENCE

### Our Operations

White Horse was established as a humble player in 1992 in Johor, Malaysia. We started with one manufacturing plant and have since expanded our operations throughout Malaysia as well as overseas. Currently, the Group has two (2) manufacturing facilities in Johor, and a strong marketing network of eleven offices, ten distribution centres and five (5) major showrooms known as "Ceramic World" to cater to the needs of both our dealers and end consumers throughout Malaysia.

At present, our products are sold both domestically and internationally to more than thirty (30) countries in the world. Our Malaysian operational centres are detailed in the marketing network of our 2023 Annual Report.

### Operational Value Chain

The value chain of the tile industry involves various stages that can be summarised as below:

Miners & Raw Material suppliers	Tile Manufacturers	Wholesalers/ Retailers/ Specialised shops / Home centres	Consumers
<ul style="list-style-type: none"> <li>• Mining of clay</li> <li>• Materials for production</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Inventory Management</li> <li>• Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory Management</li> <li>• Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Construction firms</li> <li>• Consumers</li> <li>• Tilers</li> <li>• Contractors</li> </ul>

In the value chain of the tile industry, White Horse is involved in the manufacturing, stock-keeping and distribution of ceramic and porcelain tiles. In this, the Group is committed in its sole business objective of offering a par excellence service with its premium ceramic tiles to the market.

White Horse Operation Value Chain	ESG Issues	Materiality
Manufacturing	Environmental: <ul style="list-style-type: none"> <li>• energy usage</li> <li>• water usage</li> <li>• recycling of raw materials, production resources</li> </ul> Health & Safety: <ul style="list-style-type: none"> <li>• accident rate</li> <li>• exposure to harmful particulates, chemicals and heavy metals</li> </ul>	Quality Management Environmental Management Product Innovation

SUSTAINABILITY STATEMENT  
(CONT'D)

White Horse Operation Value Chain	ESG Issues	Materiality
Inventory Management	Environmental: <ul style="list-style-type: none"> <li>• fuel usage</li> <li>• use of packaging and storage materials</li> </ul> Health & Safety: <ul style="list-style-type: none"> <li>• accident rate</li> </ul>	
Distribution	Environmental: <ul style="list-style-type: none"> <li>• fuel usage</li> <li>• use of packaging and storage materials</li> </ul> Health & Safety: <ul style="list-style-type: none"> <li>• accident rate</li> </ul>	




**B. OUR SUSTAINABILITY APPROACH****Assessing Our Materiality Matters**

We had recently conducted an assessment on our material issues involving our senior management personnel on 17 June 2023 and laid out our commitment in pursuing a formal ESG adoption.

Based on the findings out materiality analysis by the selected internal group, our relevant sustainability topics, in regards to the impact on the value chain of the Group's business implications and stakeholders' interest were identified. These relevant topics were also ranked in accordance to their impact on our business.

SUSTAINABILITY STATEMENT  
(CONT'D)

As our ambition is “TO BECOME A WORLD CLASS CERAMIC TILES MANUFACTURER”, we have identified three reporting areas based on our sustainability materiality assessment across the ESG Matrix, and these are: Product Innovation; Quality Management and Environmental Management.

Level of Importance	Materiality Topic	Goals	Relevant ESG	UN SDGs Indicator
High	Product Innovation	<ul style="list-style-type: none"> <li>To be certified with sustainability friendly local and international Eco certifications such as SIRIM's Eco Label</li> <li>Source and use local materials for all products</li> <li>To obtain and maintain local and international green product certifications for our products</li> <li>To maintain ISO 13006:2020</li> </ul>	Environmental Social Governance	
High	Quality Management	<ul style="list-style-type: none"> <li>To maintain product and quality management system certifications such as ISO 13006:2020, ISO 9001:2015</li> </ul>	Social Governance	
High	Environmental Management	<ul style="list-style-type: none"> <li>To maintain environmental management system certification such as the ISO14001:2015</li> <li>To monitor energy &amp; water usage</li> <li>To monitor and manage waste including recycling both production and packaging wastes</li> </ul>	Environmental Governance	

SUSTAINABILITY STATEMENT  
(CONT'D)

### Our Sustainability Strategy

Our approach to sustainability is reliant on our materiality assessment topics - product innovation, quality, environmental and safety & health management and are closely aligned to the sustainability pillars defined by the ESG frameworks - environmental, social and governance – where our goal is to capture and report all the non-financial risks and opportunities inherent to the Group's day-to-day operations.

We believe our focus to pursue these materiality topics will help improve our operational environmental footprint while supporting our uncompromised desire to design environment friendly products that help our customers and consumers reduce their environmental footprint as well. This is the start of our targeted sustainability journey which is based on the focused materiality topics where we have established goals and targets to reduce our environmental impact as well as our desire to produce environmental friendly products.

### Our Sustainability Governance

White Horse strictly operates in accordance to the standards of corporate governance dictated by the Malaysian Code on Corporate Governance, as well as with the main board Listing Requirement of Bursa Malaysia Securities (Listing requirements).

For our sustainability governance structure, the Group is led by the Board of Directors who is the highest governance body and oversees the management of the Group in the fulfilment of both our corporate and sustainability objectives and goals, including new directions and initiatives. Our sustainability working structure is detailed below.

Level of Authority	Group	Representatives	Roles & Responsibilities
Ultimate decision-making authority	Board	Board of Directors	<ul style="list-style-type: none"> <li>Determine the sustainability direction of the Group</li> </ul>
Highest level of authority at working level	Sustainability Committee	Group Managing Director Executive Directors	<ul style="list-style-type: none"> <li>Reviews all sustainability policies and disclosures</li> <li>Reviews and endorses all sustainability strategies as well as set time-bound targets and plans</li> </ul>
Working level	Sustainability Working Group (SWG)	<p>Working Level 1: Heads of Department representatives from: Finance and Accounting Human Resources Manufacturing Marketing and Purchasing</p> <p>Working Level 2: Department representatives from various departments</p>	<ul style="list-style-type: none"> <li>Develops and drive all sustainability strategies as well as set time-bound targets and plans</li> <li>Review practicality of sustainability policies across operating departments/unit</li> <li>Guides and supervise all sustainability implementation and monitor performances</li> <li>Implement sustainability policies across operating departments/units while collect and provide feedback to sustainability committee for review</li> </ul>

SUSTAINABILITY STATEMENT  
(CONT'D)

**C. CORPORATE GOVERNANCE AND SUSTAINABILITY POLICIES**

White Horse fully relied on the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia so as to be in compliance with the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”). The Corporate Governance Report which sets out the application of each practice in the MCCG 2021 is available for viewing in the Group’s corporate website at [www.whitehorse.my](http://www.whitehorse.my).

In addition, White Horse has also actively sought to improve and raise the level of sustainability within its operations while addressing social, environmental and economic challenges. Several sustainability policies aimed at delivering White Horse’s sustainability commitment have been launched over the years and we have also encouraged our clients, suppliers and partners to adopt such policies.

Policies	Policies	Year Introduced
Governance	Grievance Procedures	1998
Governance	Whistleblowing Policy	2014
Governance	Code of Ethics and Conduct	2015
Governance	Anti-Bribery and Corruption Policy	2020
Governance	Reporting Procedure	2020
Social	Policy & procedure on Prevention and Elimination of Sexual Harassment at Workplace	2022
Social	Policy on Prevention and Elimination of Drug, Alcohol and Substance Abuse at Workplace	2022
Social	Policy & procedure on Elimination of Violence at Workplace	2022
Social	Policy & procedure on Elimination of Harassment at Workplace	2022
Social	Safety & Health Policy	1998
Environment	Environmental Policy	2013

**Anti-Bribery, Anti-Corruption and Whistleblowing**

White Horse is committed to work against corruption in all its forms as set out in our Code of Conduct and Business Ethics Policy which prohibits the giving and receiving of any types of bribe or other benefits that may influence our employees’ ability to carry out their duties legally and/or in line with company interest. In fact, a groupwide Anti-Bribery and Corruption Policy was implemented in October 2020, in line with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The policy outlined the expected standards of conduct when engaging on behalf of the Group with stakeholders of the company. The policy was also communicated to employees via email. In order to ensure our employees are fully equipped with the knowledge on anti-bribery policies, White Horse had conducted training on the subject matter in since 2020.

SUSTAINABILITY STATEMENT  
(CONT'D)**Number of employees trained on anti-corruption**

Category of employees	No. of Employee		
	2023	2022	2021
Management	6	0	0
Executive	17	3	0
Non-executive/technical staff	199	70	19
General workers	370	256	74

To-date there has been no breach reported while our operational facilities especially high-risk portfolios such as in the procurement, sales and marketing, after sales as well as managerial categories have undergone corruption-related risk assessment by our internal audit team in 2023.

Our whistleblowing policy, which was introduced in 2014, enables both internal and external stakeholders to report cases involving fraud, bribery, corruption and other irregularities directly to the relevant party.

**Customers' Privacy and Data Protection**

Though our business is largely on a B2B model, we do ensure our customers' data and privacy are maintained as it is a requirement to adhere to the Personal Data Protection Act ("PDPA") 2010.

Access to customers' personal data is restricted to only authorised personnel. In view of our data protection practices, we have recorded zero report and complaint of data mismanagement during this reporting period.

**Stakeholder Engagement**

White Horse recognises that sustainability is pertinent in creating long-term value for our business as well as an indication of our strong commitment as a responsible corporate citizen. As such, the Group engages with our internal and external stakeholders, especially our key stakeholders that include our shareholders, investors and analysts, employees, customers, suppliers and regulators and government bodies.

Through engagements with our stakeholders, White Horse can effectively determine key sustainability matters that are material to the organisation and our stakeholders. The Group conducts such engagements with transparency and integrity to sustain a mutually supportive and beneficial relationship.

Stakeholder Groups	Area of Interests	Engagement Channels	Frequency of Engagement
Shareholders and Investors	• Financial performance	Physical Meeting	• Annually
	• Risk management	• Annual General Meeting	
	• Good business conduct	Virtual Platform	• Ad hoc basis
	• Corporate values and compliance	• Corporate website	
		• Bursa Malaysia Securities' announcements	• Quarterly
		• Financial Results	

SUSTAINABILITY STATEMENT  
(CONT'D)

Stakeholder Groups	Area of Interests	Engagement Channels	Frequency of Engagement
Government & Regulatory Agencies	<ul style="list-style-type: none"> <li>Compliance to laws, regulations and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>On site visits</li> <li>Seminars</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc basis</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product Quality &amp; Services</li> <li>Engagement opportunities and experience</li> </ul>	<p>Walk in customers</p> <ul style="list-style-type: none"> <li>Showroom/purchase visit</li> <li>Feedback, survey &amp; Complaints</li> <li>Suggestion box</li> <li>Social media</li> </ul> <p>Bulk customers</p> <ul style="list-style-type: none"> <li>Visits to customers</li> <li>Feedback, survey or Complaints</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Working environment – safety, work/life balance, etc</li> <li>Benefits and remunerations</li> <li>Career development</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Training &amp; development</li> <li>Suggestion &amp; Complaint System</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
Suppliers and Business Partners	<ul style="list-style-type: none"> <li>Fair procurement practices</li> <li>Quality of goods &amp; services</li> <li>Mutually beneficial collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Feedback, survey &amp; complaints</li> <li>Supplier site visits</li> <li>Supplier appraisal</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Impacts of the Group's operations on the surrounding communities</li> <li>Local community development and investment</li> </ul>	<ul style="list-style-type: none"> <li>Company website</li> <li>Sponsorship</li> <li>Community activities</li> <li>Internship arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> </ul>



SUSTAINABILITY STATEMENT  
(CONT'D)

### Quality Management & Product Innovations

In our materiality matters, White Horse emphasises high importance in quality management. White Horse's desire to establish par excellence in our operations and product offerings have accelerated our determination to achieve our vision. This determination has seen White Horse establishes a framework for constant quality improvement and this includes:

To maintain ISO 13006:2020, ISO 9001:2015 & ISO14001:2015 certifications

To produce high quality products

To obtain and maintain green certifications for our products

### Regulatory Compliance

In 2023, White Horse was able to comply with all government regulations governing the industry we operate in.

Type of Regulations	Regulations	Status of Compliance
Governance	<ul style="list-style-type: none"> <li>• Companies Act 2016</li> <li>• Capital Markets and Service Act 2007</li> <li>• Factories and Machinery Act 1967</li> </ul>	Complied
Environmental	<ul style="list-style-type: none"> <li>• Environmental Quality Act 1974</li> </ul>	Complied
Social	<ul style="list-style-type: none"> <li>• Occupational Safety and Health Act 1994</li> <li>• Children and Young Persons (Employment) Act 1966</li> <li>• Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990</li> <li>• Malaysian Anti-Corruption Commission (Amendment) Act 20</li> <li>• Employment Act 1955 (Amendment) 2022</li> <li>• Personal Data Protection Act 2010 (PDPA)</li> </ul>	Complied

### Product Stewardship

In order to further support our Quality Management & Product Innovations strategy, White Horse's strategy is to obtain selected product quality and innovative certifications. To this ends, White Horse has successfully obtained the ISO 13006, SIRIM's Eco Label, Singapore's Green Label

SUSTAINABILITY STATEMENT  
(CONT'D)

**White Horse products are all ISO 13006 certified**

In our quest to produce the best products, our products adhered to the MS ISO 13006: 2020 standard, which is regulated by the Construction Industry Development Board (CIDB) Malaysia as stipulated under Schedule 4 of CIDB Act 520. Conforming to MS ISO 13006 standards meant that the tile product has undergone numerous tests and among the many tests are water absorption, breaking strength, abrasion resistance, to name a few.

**Product Innovation with SIRIM's Eco Label & Singapore's Green Label**

In further embracing our commitment to producing high-quality, durable and environmentally-friendly products, White Horse has also taken the step to obtain SIRIM's Eco Label and Singapore's Green Label, making our products truly green products.

This shows that White Horse is focused on developing environmentally friendly products that are not only of the highest quality but are also of minimal impact on the environment in tangible ways.

Green Product Produced ('000m <sup>2</sup> )	
Year	2023
Eco Label (PG)	6,126
SG Green Label (TL)	4,652
Total Green Product	10,778

**Supply chain management**

White Horse understands that to generate sustainable economic and financial returns and create value for our stakeholders, we need to maintain a sustainable supply chain with a systematic procurement policy.

As a Malaysian incorporated company, our priority is always to source locally first as this translates to helping the local economy. However, due to the nature of our business, we are not able to fully depend on the local suppliers as certain procurements are not available locally.

This year, the Group is pleased to announce that 100% of our procurement budget on packaging materials was spent on local suppliers while a small portions of raw materials and spare parts for tile manufacturing were procured overseas.

	Suppliers	2023	
		Local	Overseas
1.	Raw materials	60.98%	39.02%
2.	Packaging Materials	100%	0 %
3.	Spare parts	51.73%	48.27%

SUSTAINABILITY STATEMENT  
(CONT'D)**D. ADDRESSING ENVIRONMENTAL CONCERNS****Environmental Management**

White Horse recognises that environmental issues and climate change are major threats to our planet and is committed to monitoring and reducing our global carbon emissions. Though we have yet to establish our GHG emissions baseline, we have started collecting data from selected locations so that we can use this information to establish a base data.

We aim to analyse and establish a base data for us to work on managing our carbon emission. For now, our carbon emissions are only restricted to energy usage of electricity and natural gas in our manufacturing plants.

In 2023, our total average energy usage was recorded at 58,784 MW. This translated to an estimated carbon emission of an average of 120,579.72 tCO<sub>2</sub>e per year.

**Electricity consumption and CO<sub>2</sub>e emissions:**

Year	Electricity (MW/year)	carbon emissions per tCO <sub>2</sub> e
2023	65,741.00	49,832.00

Notes:

CO<sub>2</sub> Emission Factor: Electricity – 0.758 GgCO<sub>2</sub>e/GWh (Source: Grid emission factor 2021)

**Gas consumption and CO<sub>2</sub>e emissions (Manufacturing data only):**

Year	Gas (MW/year)	carbon emissions per tCO <sub>2</sub> e
2023	393,043.00	70,747.71

Notes:

CO<sub>2</sub> Emission Factor: Natural Gas – 0.18 kgCO<sub>2</sub>e/kWh (Gross CV) (Source: UK Government GHG Conversion factor 2023)

**Water Usage (Manufacturing Data Only)**

Year	Grand total (MI Per year)
2023	273

In 2024, we plan to improve our data collection to include the Group's total water usage by including other operational networks i.e. marketing centres into our reporting.

**Waste Management****Recycling of Waste**

Proper waste management is an integral part of White Horse's environmental and social responsibility and, we believe that effective waste management remains a consistent and key component of the Group's environmental and social mandate.

We have in place waste management procedures to ensure stringent measures are taken in the manufacturing facilities to minimise any adverse environmental impacts arising from waste disposal and discharge. All scheduled waste generated are properly labelled and stored and transported by licensed contractors registered with Department of Environment (DOE) for treatment or recovery.

## SUSTAINABILITY STATEMENT (CONT'D)

Waste in manufacturing operations is categorised into scheduled waste and non-scheduled waste. Scheduled waste is managed according to regulatory requirements and collected by licensed contractors approved by Department of Environment. Non-scheduled waste is collected by selected contractors for recycling purposes or disposed at authorised landfills. By-product waste are recycled back into manufacturing process.

Wastewater is generated throughout the process of producing ceramic tiles. The production processes include glaze preparation, ball milling, spray drying, glazing, and further process such as polishing. Throughout these production processes, recycled water will be used to mix the raw materials or wash out the ceramic dust on the tiles surface. The wastewater with ceramic dust will be transferred to wastewater treatment plants (WWTPs) for treatment while the residue will be filtered out and pressed as sludge cake. After that, these sludge cake will be dried out naturally and then reuse as raw material in the production process of ceramic tiles.

Reusing the scheduled waste into production process is considered as special management for scheduled wastes which require a written approval from Department of Environment (DOE), Putrajaya, according to Regulation 7 of Environmental Quality (Scheduled Wastes) Regulation 2005. White Horse Ceramic had received this written approval and currently operating as per requirements.

### **E. OUR COMMUNITY (Social)**

As part of our quality management strategy, we strive to build and nurture an inclusive culture that promotes and values diversity amongst our total employees numbering 1,314 personnel as at 31 Dec 2023.

Foreign workers made up more than 20% of our workforce while the ethnic diversity of our local workers reflects the population of Malaysia where the Malay forms the majority of our workers with more than 53% representation while the Chinese and Indian comprised about 17% and 2% respectively.

The vast majority of our employees work in our manufacturing plants with the rest working at our showrooms and marketing & distribution centres meeting our customers on a daily basis.

#### **PROMOTING DIVERSITY AND INCLUSIVENESS**

Diversity is reflected in our recruitment policy where we aim to recruit individuals from various backgrounds, experiences and cultures, where our main emphasis on skills and specialisations that support our business priorities rather than ethnicity or religious belief. Currently, all our employees are required to be properly oriented to the company's work culture, policies and are formally appraised at least once a year.

In 2023, we do not have any employees who are either Contractors or temporary staff in our employment.

We also maintain a safe and healthy working environment and foster a collaborative culture, where people are motivated to develop their competencies and deliver the best results for our customers.

SUSTAINABILITY STATEMENT  
(CONT'D)

Description	2023	2022	2021
Total number of employees	1314	1395	1399
Local	969	1071	1117
Foreigner	345	324	282
Total number of employees by Ethnicity:			
Malay	706	789	803
Chinese	223	238	267
Indian	32	35	36
Others	353	333	293

## Gender Group By Employee Category

	2023	2022	2021
Management Male	54	53	59
Management Female	24	24	25
Executive Male	103	109	113
Executive Female	83	84	97
Non-Executive/Technical staff Male	307	339	333
Non-Executive/Technical Staff Female	115	124	123
General Workers Male	539	563	544
General Workers Female	89	99	105

SUSTAINABILITY STATEMENT  
(CONT'D)

Age Group By Employee Category

	2023	2022	2021
Management Under 30	0	0	0
Management between 30 and 50	43	41	47
Management above 50	35	36	37
Executive Under 30	10	15	15
Executive between 30 and 50	123	130	152
Executive above 50	53	48	43
Non-Executive/Technical staff under 30	79	95	92
Non-Executive/Technical staff between 30 and 50	279	304	304
Non-Executive/Technical staff above 50	64	64	60
General Workers under 30	208	234	237
General Workers between 30 and 50	373	388	372
General Workers above 50	47	40	40

Total Number of employee turnover

Category of employees	Employee turnover		
	2023	2022	2021
Management	4	9	5
Executive	14	37	13
Non-executive/technical staff	76	49	46
General workers	114	256	150

SUSTAINABILITY STATEMENT  
(CONT'D)

### Creating a Safe Working Environment

White Horse seeks to create and maintain a safe working environment for all our employees, contractors and visitors. In this respect, our commitment is to ensure a continuous reduction in the number of accidents in our operations, while continuously instilling a safety-first mindset in our employee in their daily work culture. In our quest to ensure the wellness and well-being of our workers, we obtained the ISO 45001 certification for Occupational Health and Safety Management Systems in 2022 to help our organisations prevent work-related injuries and illnesses and provides a safer and healthier workplace for our workers. For 2023, the recorded Lost Time Incident Rate (LTIR) is at 0.78% as compared to the 1.05% recorded in 2022. This was partly because White Horse has put in place a system that looks into:

- Prevent work-related injuries, illnesses, and death.
- Motivate and engage staff to promote health, safety and competency across organisations.
- Provide safe and healthy workplaces.
- Improve occupational health and safety performances and effectiveness.
- Compliance with applicable legal and regulatory requirements.

### Towards a Zero-fatality Workplace

White Horse's industrial accident target for its operational plants is to reduce the industrial accident rate to below 1.0%. We also provide periodical intensive training, specifically focusing on corrective actions beside routine preventative actions to ensure the safety message is subconsciously embedded in our workers. Safety and warning signs are clearly positioned at workspaces.

In 2023, White Horse trained a total of 171 employees on health and safety standards averaging a total of 10,660 hours for the year.

<b>Safety training hours per year for production workers (average workers trained/average training hr)</b>			
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total Training Hours	10,660 (1,000/10.7hr)	18,113.5 (1,026/17.7 hr)	4,047 (1,013/4 hr)

### Creating a Healthy Work Environment

Our commitment to ensure the safety and health of our workers are safeguarded has compelled us to regularly monitor our workers exposure to potential harmful fine particulates, Respirable particulate, crystalline silica, Inhalable particulate and metal (lead) in our tile manufacturing plants. We collect regular sampling test from different areas of our manufacturing facilities to test for specific harmful exposures.

### Fair Pay and Workers Benefits

In complementing the safety and health of our workers, all our workers, local and foreign, are paid the required base wage of RM1,500 per month as stipulated under the Minimum Wages Order, which first came into effect in 2020, and has since been updated on 1 July 2023. Beyond this base wage, all workers are also covered by a general Group Personal Accident Insurance which covers both injuries and fatalities as well as other benefits that include leaves, benefits, allowances and incentives.

In line with the updated Employment (Amendment) Act 2021, all our female employees are entitled to 98 days of maternity leave with full pay annually while their male counterparts are entitled to seven days paternity leave.

## SUSTAINABILITY STATEMENT (CONT'D)

### Human Resources Development

We, at White Horse, place great importance in the human capital development of our employees to promote continuous staff learning and provide opportunities for career advancement to our employees.

As such, we offer a variety of training, workshops and knowledge-management practices as we recognise our employees' valuable contributions to our operations.

In 2023, our employees spent a total of 27,536 hours in training as compared to 24,271 hours spent in 2022 comprising different categories of employees.

Category of employees	Total Training Hours		
	2023	2022	2021
Management	422.5	173	217
Executive	1,979	2,270	777.5
Non-executive/technical staff	8,204.5	7,046	2,109
General workers	16,930	14,782	6,497
Total Training Hours	27,536.0	24,271.0	9,600.5

### Human Rights - Freedom of Association & Rights to Collective Bargaining

As an equal opportunity employer, White Horse is committed to ensure that the rights of all employees, irrespective if they are locals and foreign, are respected and accorded in accordance to local, national and ratified international laws.

As such, we do not differentiate nor discriminate based on nationalities but instead uphold our commitment to provide equal benefits including wages and medical provision to all workers. Furthermore, we do not restrict our workers from forming an association or conducting collective bargaining.

We also do not hold our foreign workers' official travel documents and has also put in place a grievance procedure that allows all our employees to raise issues and seek redress. In 2023, there were no complaints nor incidences of human rights violations.

### Community Involvement

Not forgetting the society at large, our community outreach programme for the financial year ended 31 December 2023 included providing industrial training opportunities to existing students of tertiary institutions and organising a blood donation in the manufacturing facility.

Our CSR activities that took place in FY2023 included presenting CNY food bags to 40 households.

### The Way Forward

In the near future, we plan to address material matters within our group and of impact to our stakeholders. We strive to balance achieving profitability, meeting regulatory requirements and sustainability growth in all the material areas. We will continue to strengthen our foothold in the tiles industry in line with our aspirations to become a world class ceramic tiles manufacturer.

This report has been approved by the Board of Directors on April 2024.



SUSTAINABILITY STATEMENT  
(CONT'D)

## Performance Data

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	73.00
Executive	Percentage	17.00
Non-executive/Technical Staff	Percentage	77.00
General Workers	Percentage	83.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	55.00
Management Above 50	Percentage	45.00
Executive Under 30	Percentage	5.00
Executive Between 30-50	Percentage	66.00
Executive Above 50	Percentage	29.00
Non-executive/Technical Staff Under 30	Percentage	18.00
Non-executive/Technical Staff Between 30-50	Percentage	66.00
Non-executive/Technical Staff Above 50	Percentage	16.00
General Workers Under 30	Percentage	33.00
General Workers Between 30-50	Percentage	59.00
General Workers Above 50	Percentage	8.00
Gender Group by Employee Category		
Management Male	Percentage	69.00
Management Female	Percentage	31.00
Executive Male	Percentage	55.00
Executive Female	Percentage	45.00
Non-executive/Technical Staff Male	Percentage	73.00
Non-executive/Technical Staff Female	Percentage	27.00
General Workers Male	Percentage	86.00
General Workers Female	Percentage	14.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	10.00
Above 50	Percentage	90.00
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	423
Executive	Hours	1,979
Non-executive/Technical Staff	Hours	8,204
General Workers	Hours	16,930
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Executive	Number	16
Non-executive/Technical Staff	Number	76
General Workers	Number	114
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.78
Bursa C5(c) Number of employees trained on health and safety standards	Number	171
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	65.19
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	456,784.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	273.000000
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	18,251.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	43

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company and its subsidiaries (“**Group**”) are fully committed to business integrity, transparency and professionalism whilst pursuing its corporate objectives to enhance shareholders’ value and its overall competitive positioning. As part of this commitment, the Board of Directors (“**Board**”) of the Company recognises the importance of governance and plays an active role in administering and reviewing the Group’s governance practices and framework to ensure its relevance and ability to meet future challenges.

The Board takes note of the updates on the Malaysian Code on Corporate Governance (“**MCCG**”) issued by the Securities Commission Malaysia with effect on 28 April 2021 (“**MCCG 2021**”). MCCG 2021 introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present this Corporate Governance Overview Statement (“**Statement**”) to provide investors with an overview of the extent of compliance with three (3) Principles as set out in the MCCG 2021 under the stewardship of the Board throughout the financial year ended 31 December 2023 (“**FYE 2023**”) and up to the latest practicable date of 29 March 2024 (“**LPD**”).

This Statement also serves as a compliance with Paragraph 15.25 of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”). In addition, the Corporate Governance Report which sets out the application of each practice in the MCCG 2021 is available for viewing in the Group’s corporate website at [www.whitehorse.my](http://www.whitehorse.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### (1) Board Responsibilities

##### Intended Outcome 1.0

**Every company is headed by a board, which assumes responsibility for the Company’s leadership and is collectively responsible for meeting the objectives and goals of the Company.**

#### (i) Roles and Responsibilities of the Board

The Board is responsible for oversight of the Company and noted that the vision of the Group is “**to become a world class ceramic tiles manufacturer**”. By utilising high end, imported machinery and technologies – the Board further noted that the Group is the only tile manufacturer in Malaysia capable of producing a range encompassing a broad spectrum of porcelain and ceramic tiles and tile accessories.

The Board members, in carrying out their duties and responsibilities, are firmly committed to ensuring that set vision be “realised”, that the highest standards of corporate governance and corporate conduct are adhered to, in order that the Company achieves strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to stakeholders.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board’s authorities and discretion on the Executive Directors, representing the Management, as well as to properly constituted Board Committees.

The Board Committees are entrusted with specific responsibilities to oversee the Company’s affairs, in accordance with their respective Terms of Reference. At each Board Meeting, minutes of the Board Committee meetings are presented to the Board.

The respective Chairman of the Board Committees will also report to the Board on key issues deliberated by the Board Committees.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (1) Board Responsibilities (Cont'd)

##### (i) Roles and Responsibilities of the Board (Cont'd)

The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:-

- (a) Reviewing and adopting a strategic plan for the Company;
- (b) Overseeing the conduct of the Company's business;
- (c) Considering management recommendations on key issues including acquisitions and divestments, restructuring, funding and significant capital expenditure;
- (d) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and
- (e) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

##### (ii) Key Responsibilities of the Chairman

The Board is led by Mr. Liao Shen Hua, who is the Chairman and Managing Director ("MD") of the Company. He is assisted by two (2) Deputy MDs. Although the positions of Chairman and MD are held by the same individual, the roles of the Chairman and MD are clearly demarcated and each has a clear accepted division of responsibilities.

As outlined in the Board Charter, the Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Company. The MD together with the Deputy MDs oversee the running of the Group and the implementation of the Board's decisions, business strategies and policies. There is also a clear demarcation of responsibilities between the roles of the MD and Deputy MDs to ensure a balance of authority and power, such that no one individual has unfettered powers of decision-making.

##### (iii) Separation of the positions of the Chairman and MD

The Board noted the combination of the positions of the Chairman and the MD is essential for the commercial environment that the Group is currently operating. Such combination of roles renders credibility and confidence to third party(ies) on the authority of the Chairman and MD for successful conclusion of commercial deals/ transactions.

As the alternate practice, the Board undertakes the following effort to ensure there is a balance of power and authority on the Board:-

- (a) The composition of the Board consists of 30% of Independent Non-Executive Directors, whom, collectively, have the weightage in terms of Board's decision making and are free to exercise their independent judgement or act in the best interests of the Company, and to safeguard the interest of the minority shareholders.
- (b) The decision of the Board shall always be agreed upon by at least majority of the Directors present at the Meeting, therefore, no individual Director can dominate the decision-making of the Board.
- (c) A clear division of responsibilities for the role of Chairman of the Board has been outlined in the Board Charter, which are distinct and separate from his roles and responsibilities as MD, through the separate employment contract.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (1) Board Responsibilities (Cont'd)

##### (iv) Chairman of the Board should not be a member of the Audit Committee, Nomination Committee and Remuneration Committee

The Board took note on the recommendation Practice 1.4 of the MCCG 2021 whereby the Chairman of the Board should not be a member of the Board Committee. Mr. Liao Shen Hua, the Chairman of the Board does not hold any position in the Board Committees. The Board is of the view that this will enable the Board Committees to function independently and professionally without excessive interference from the Board.

##### (v) Company Secretary

In compliance with Practice 1.5 of the MCCG 2021, the Board is supported by a suitably qualified and competent Company Secretary, i.e. Ms. Chua Siew Chuan, FCIS ("**Ms. Chua**").

Ms. Chua is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. Details of the qualifications and experience of the Company Secretary are set out in Practice 1.5 of the Corporate Governance Report, available for viewing in the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

##### (vi) Circulation of meeting materials

As a standing practice, the notice of the Board Meetings is served at least five (5) days before each Board Meeting. In compliance with Guidance 1.6 of the MCCG 2021, meeting papers and agenda items are to be circulated at least five (5) days prior to the Meetings to allow ample time for Directors to consider the relevant information.

A comprehensive meeting papers comprising background, matters arising, research, analysis, findings/updates, results, presentations, recommendations and any other relevant information is prepared and circulated in advance to enable the Board to make considerations, deliberations and decisions.

Minutes of the Board/Board Committees Meetings have been accurately recorded by the Company Secretary to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities. The Minutes was then tabled at the next following Board/Board Committees Meetings for perusal and confirmation. Upon Committee/Directors' confirmation, the Chairman of the Board/Board Committee Meetings signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Companies Act 2016.

<b>Intended Outcome 2.0</b>
<b>There is demarcation of responsibilities between the Board, Board Committees and Management.</b>
<b>There is clarity in the authority of the Board, its Committees and individual Directors.</b>

##### (vii) Board Charter

The Board had on 20 November 2013 approved and adopted the Board Charter and the same was uploaded to the Company's website. The Board recognises the importance of setting out the key values, principles and ethos of the Company, as policies and strategy development are based on these considerations. The Board Charter included the division of responsibilities and powers between the Board and Management as well as the different committees established by the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (1) Board Responsibilities (Cont'd)

##### (vii) Board Charter (Cont'd)

The Board had on 6 April 2022 reviewed and approved the revised Board Charter that incorporated the Directors' Fit and Proper Policy. The Board will review the Board Charter periodically and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

A full copy of the Board Charter is available for viewing on the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

<b>Intended Outcome 3.0</b>
<b>The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.</b>
<b>The Board, Management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.</b>

##### (viii) Code of Ethics and Conduct

###### (a) Business Conduct and Corporate Culture

The Board had on 26 February 2020 adopted a revised Code of Ethics and Conduct for Directors, Management and employees of the Company and its subsidiaries to adhere to the general principles and standards of business conduct and ethical behaviour in the performance and exercise of their responsibilities as Board, Management and employee of the Company in order to uphold good corporate integrity.

The Code of Ethics and Conduct will be reviewed periodically to ensure the information remains relevant and appropriate.

A copy of the Code of Ethics and Conduct is available for viewing on the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

###### (b) Whistleblowing Policy and Procedures

The Board had on 26 February 2020 adopted a revised Whistleblowing Policy and Procedure to facilitate the whistle blower to report or disclose through established channels about any violations or wrongdoings they may observe in the Group without fear of retaliation and should they act in good faith when reporting such concerns.

The Board had subsequently on 23 February 2022 reviewed and approved the revised Whistleblowing Policy and Procedure of the Company.

A copy of the Whistleblowing Policy and Procedure is available for viewing on the Company's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (1) Board Responsibilities (Cont'd)

<b>Intended Outcome 4.0</b>
<b>The Company address sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.</b>

#### (ix) Sustainability strategies, priorities and target

The sustainability efforts of the Group are managed by the Sustainability Working Group (“**SWG**”). The SWG consists of department representatives from various functions within the Group such as Finance and Accounting, Human Resources, Manufacturing, Marketing and Purchasing. The SWG reports to the Sustainability Committee which consists of the Executive Directors and the Group Managing Director as the Chairman of the Committee.

The Company recognises that sustainability is pertinent for creating long term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives, throughout the year. The Boards are appraised, and they provide their views and opinions on any of the Group's sustainability issues during the Board meetings.

#### (2) BOARD COMPOSITION

<b>Intended Outcome 5.0</b>
<b>Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.</b>

#### (i) Composition of the Board

The Board comprises members experienced in ceramic tiles manufacturing and marketing and is supported by other professionals in the legal, operational, marketing, research and development, administration and financial sectors. The effective combination of existing technical skills and working experience is vital for the continual success of the Group. The profile of the Directors is presented in another section of the Annual Report.

The Board has ten (10) members. Seven (7) of the ten (10) members are Non-Executive members, three (3) of whom are Independent Non-Executive Directors. The composition of the Board complied with paragraph 15.02 of the Main LR of Bursa Malaysia Securities. The Independent Non-Executive Directors provide an unbiased and independent view and judgement of the pertinent issues of the Company and the interest of the stakeholders and the Group. The number of Directors reflects fairly the investment of the shareholders in particular the minority shareholders.

As the Chairman/MD of the Company is an Executive Director, the Company acknowledges the importance of increasing the number of Independent Directors pursuant to Practice 5.2 of the MCG 2021 and is currently seeking for potential candidates to ensure the balance of power and authority on the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (2) BOARD COMPOSITION (CONT'D)

##### (i) Composition of the Board (Cont'd)

The Board has put in place the following Board Committees to assist in carrying out its fiduciary duties:-

- Audit Committee;
- Nomination Committee; and
- Remuneration Committee.

All of these Committees have written Terms of Reference clearly outlining their objectives, duties and powers. The final decisions on all matters are determined by the Board as a whole.

##### (ii) Tenure of Independent Directors

The Board believes that the length of tenure of Independent Directors on the Board does not interfere with their objective and independent judgement or their ability to act in the best interest of the Company. Nevertheless, the Board ensures that the existing Independent Directors will not serve as an Independent Director for a cumulative period of more than 12 years from the date of his first appointment as an Independent Director, to be in compliance with the Main LR of Bursa Malaysia Securities.

##### (iii) Appointment of the Board and Senior Management

In relation to appointment of Board member, the Board, vide the Nomination Committee, would undergo the three-staged nomination process as follows:-

- Stage 1: Review of the potential candidates based on the criteria set
- Stage 2: Board gaps review
- Stage 3: Recommendation to the Board

The new appointment of senior management would be reviewed by the Nomination Committee based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

##### (iv) Board Diversity Policy

The Board affirms its commitment to boardroom diversity as a truly diversified Board to enhance the Board's effectiveness, creativity and capacity to thrive in good times and weather tough times.

Bearing in mind that an appointment to the Board is a long-term commitment to the Company, the Board has not set any short term target or measure for boardroom diversity, but nevertheless works to ensure that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education, physical ability or geographic region, during the recruitment of new Board members.

The Board has indicated its commitment to boardroom diversity by the following appointments:-

##### ***Gender Diversity***

Madam Rosita Yeo Swat Geok and Madam Lau Lee Jan have been appointed as the Independent Non-Executive Directors to the Board on 19 April 2013 and 22 August 2018 respectively.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (2) BOARD COMPOSITION (CONT'D)

##### (iv) Board Diversity Policy (Cont'd)

###### *Age Diversity*

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors were ranging from 39 to 81 years of age, which underlies the Board's commitment to age diversity at the Board level appointment.

###### *Diversity in Nationality and Geographic Region*

Mindful of global mobility of talents, the Board does not restrict its composition to just Malaysians. The Board endeavours to source and appoint Directors of diverse nationality and of trans-national background and experiences.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors is as follows:-

	Race/Ethnicity					Gender		
	Malay	Chinese	Indian	Other	Total	Male	Female	Total
Number of Directors	0	7	0	3	10	8	2	10

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	39-45	46 - 60	61 and above	Total
Number of Directors	1	2	7	10

###### *Workforce Diversity*

The Group is committed to a diverse and inclusive culture which is essential to the Group's future growth. The Group's gender and race/ethnicity diversity are made up of the following:-

Gender	Race/Ethnicity			
	Malay	Chinese	Indian	Other
Male	523	111	20	344
Female	163	147	11	37

(as at 29 March 2024)



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (2) BOARD COMPOSITION (CONT'D)

##### (iv) Board Diversity Policy (Cont'd)

##### **Workforce Diversity (Cont'd)**

The Group's workforce diversity in terms of age is made up of the following:-

Gender	Age Group (Years)				
	Below 20	20-29	30-39	40-49	50 and Above
Male	7	212	309	313	163
Female	4	66	113	112	57

(as at 29 March 2024)

##### (v) Nomination Committee

Members	Membership/Designation	No. of meetings attended/ held during the financial year under review	%
Rosita Yeo Swat Geok	Chairperson/Senior Independent Non-Executive Director	1/1	100
Lau Lee Jan	Member/Independent Non-Executive Director	1/1	100
Liao, Hung-Chang	Member/Non-Independent Non-Executive Director	1/1	100

The Nomination Committee has undertaken the following activities during the financial year:-

- (a) Examined the size of the Board, mix of skills, independence and time commitment based on the commercial needs of the Company;
- (b) Conducted the effectiveness of the Board evaluation to assess the effectiveness of the Board as a whole and Board Committees in accordance with the three (3) key principles of the MCCG 2021;
- (c) Evaluated the contribution and performance of each individual Director;
- (d) Evaluated the contribution and performance of the Audit Committee and each individual Audit Committee member;
- (e) Reviewed and recommended to the Board, the adoption of "Declaration by Independent Directors" to confirm the "independence" of the Independent Directors on an annual basis;
- (f) Reviewed and recommended to the Board, the re-election of the Directors who will be retiring at the forthcoming Annual General Meeting ("**AGM**") of the Company, together with the proper execution of "Directors' Declaration of Fit and Proper by the individual Directors who are standing for re-election as Directors";
- (g) Reviewed and recommended to the Board, the retention of Independent Non-Executive Director pursuant to Practice 5.3 of the MCCG 2021; and
- (h) Reviewed the composition of the Board Committee.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (2) BOARD COMPOSITION (CONT'D)

##### (v) Nomination Committee (Cont'd)

The Board had on 6 April 2022 reviewed and approved the revised Terms of Reference of the Nomination Committee. The Terms of Reference of the Nomination Committee is available for reviewing at the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

##### *Directors' Training*

In order for the enlarged White Horse Berhad Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are to attend the Mandatory Accreditation Programme Parts I and II as prescribed by the Main LR of Bursa Malaysia Securities within the stipulated timeframe;
- All existing Directors are to attend the Mandatory Accreditation Programme Part II in relation to sustainability and the related roles of a Director as prescribed by the Main LR of Bursa Malaysia Securities within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve;
- The Directors are briefed by the Company Secretary on the letters issued by Bursa Malaysia Securities at every Board meeting.

During the financial year ended 31 December 2023, the Board members had participated in the following continuing education programmes:-

Name of Directors	Dates	Description of Training Programmes
Liao Shen Hua	20 July 2023	A Guide to ESG
Teo Swee Teng	20 July 2023	A Guide to ESG
Cheng Soon Mong	20 July 2023	A Guide to ESG
Teo Kim Lap	20 July 2023	A Guide to ESG
Teo Kim Tay	20 July 2023	A Guide to ESG
Liao Shen Yao	20 July 2023	A Guide to ESG
Liao, Hung-Chang	20 July 2023 15 August 2023	A Guide to ESG Conflict of Interest (" <b>COI</b> ") and Governance of COI Programme
Rosita Yeo Swat Geok	12 September 2023	Advocacy Session for Directors and CEOs of Main Market Listed Issuers
Lau Lee Jan	20 July 2023	A Guide to ESG

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (2) BOARD COMPOSITION (CONT'D)

##### (v) Nomination Committee (Cont'd)

##### *Directors' Training (Cont'd)*

During the financial year ended 31 December 2023, the Board members had participated in the following continuing education programmes (Cont'd):-

Name of Directors	Dates	Description of Training Programmes
Tai Lam Shin	3 March 2023	TCFD102 Building experience and expertise on climate-related financial disclosures
	22 March 2023	Deloitte TaxMax 48 <sup>th</sup> Series
	20 July 2023	A Guide to ESG
	22 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
	25 September 2023	New LR on Conflict of Interests
	26 September 2023	Company Constitution in Malaysia
	25 to 26 October 2023	MAP Part II
	23 November 2023	Deloitte TaxMax 49 <sup>th</sup> Series
	12 December 2023	Directors' Interest in Contracts and Conflict of Interests

In addition, the Company Secretary and the External Auditors update the Board on a regular basis the respective changes and amendments to regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

##### **2024 Training Needs**

Upon review of the training needs of the Directors for the financial year ending 31 December 2024 and recognising the need to keep abreast with the fast-changing business and regulatory environment, the Board has encouraged its members to attend at least one (1) continuing education programme.

<b>Intended Outcome 6.0</b>
<b>Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.</b>

##### (vi) Annual Assessment of the Board

In compliance with Practice 6.1 of the MCCG 2021, on behalf of the Board, the Nomination Committee conducted the following assessments annually and subsequently reported the respective results to the Board for notation:-

- (a) Directors' self-assessment;
- (b) Evaluation on the effectiveness of the Board of Directors and the Committees of the Board; and
- (c) Annual Assessment of Independence.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (3) REMUNERATION

<b>Intended Outcome 7.0</b>
<b>The level and composition of remuneration of Directors and senior management take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives.</b>
<b>Remuneration policies and decisions are made through a transparent and independent process.</b>

#### (i) Remuneration Committee

Members	Membership/Designation	No. of meetings attended/ held during the financial year under review	%
Rosita Yeo Swat Geok	Chairperson/Senior Independent Non-Executive Director	1/1	100
Lau Lee Jan	Member/Independent Non-Executive Director	1/1	100
Cheng Soon Mong	Member/Deputy Managing Director	1/1	100

The Remuneration Committee has undertaken the following activities during the financial year:-

- Reviewed and recommended the remuneration packages for the Executive Directors and Non-Independent Non-Executive Directors for the FYE 2023;
- Reviewed and recommended the Directors' fees for the FYE 2023; and
- Reviewed and recommended the benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Companies Act 2016.

The Terms of Reference of the Remuneration Committee is available for viewing at the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

#### (ii) Directors' Remuneration Policy

The Board had on 6 April 2022 adopted the revised policies and procedures to determine the remuneration of Directors and senior management.

This policy will be reviewed biennially by the Remuneration Committee or as and when it is required to ensure the information remains current and updated.

<b>Intended Outcome 8.0</b>
<b>Stakeholders are able to assess whether the remuneration of Directors and senior management is commensurate with their individual performance, taking into consideration the Company's performance.</b>

#### (iii) Details of each individual Director's remuneration for the FYE 2023

In compliance with Practice 8.1 of the MCGG 2021, there is detailed disclosure on named basis for the remuneration of individual Directors and it is disclosed in the Corporate Governance Report, which can be downloaded from the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (3) REMUNERATION (CONT'D)

##### (iv) Details of top five (5) senior management's remuneration for the FYE 2023

The Board is of the view that it is inappropriate to disclose the names and detailed remuneration of senior management staff other than the Executive Directors given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

The disclosure of the remuneration received by the senior management in the bands of RM50,000/- was disclosed in the Corporate Governance Report, which can be downloaded from the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### (1) Audit Committee

<b>Intended Outcome 9.0</b>
<b>There is an effective and independent Audit Committee.</b>
<b>The Board is able to objectively review the Audit Committee's findings and recommendations.</b>
<b>The Company's financial statement is a reliable source of information.</b>

The membership, a summary of the activities of the Audit Committee and internal audit function and activities are stated in the Audit Committee Report of this Annual Report.

The Chairman of the Audit Committee is Mr. Tai Lam Shin, an Independent Non-Executive Director while Mr. Liao Shen Hua is the Chairman cum Managing Director of the Company.

#### **No appointment of former key audit partners as Audit Committee/ Board Member**

Practice 9.2 of the MCCG 2021 requires the Audit Committee to have a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The Terms of Reference of the Audit Committee has incorporated the above requirement. The Board had on 17 November 2023 reviewed and approved the revised Terms of Reference of the Audit Committee. And the said Terms of Reference is available for reviewing at the Group's corporate website at [www.whitehorse.my](http://www.whitehorse.my).

#### **Assessment of Suitability and Independence of External Auditors**

The Audit Committee has adopted policies and procedures to assess the suitability, objectivity and independence of external auditors and that such assessment has been carried out annually.

The outcome of the assessment would form a basis for the Audit Committee in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the Annual General Meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### (2) Risk Management and Internal Control Framework

<b>Intended Outcome 10.0</b>
<b>Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.</b>
<b>The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.</b>

#### Framework to Manage Risks

The Risk Management Committee was set up in November 2004, comprising members from the Executive Directors and Management representing the key departments.

The Risk Management Committee has established Risk Management Procedure to manage the Company's level of risk tolerance and actively identify, assess and monitor key business to safeguard shareholders' investments.

The Statement on Risk Management and Internal Control of the Group as set out in this Annual Report provides an overview of the state and features of risk management and internal controls within the Group, in compliance with Practice 10.2 of the MCCG 2021.

<b>Intended Outcome 11.0</b>
<b>Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.</b>

#### Internal Audit Function

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operates effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out for a period of 1 year, is tabled to the Audit Committee at the beginning of the year.

The Company has its own internal audit function to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group. Areas for improvement were highlighted and the implementation of recommendations was monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The in-house Internal Auditors communicate regularly with and report directly to the Audit Committee. For the FYE 2023, the in-house Internal Auditors met up once with the Audit Committee.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### (1) Engagement with Stakeholders

<b>Intended Outcome 12.0</b>
<b>There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.</b>
<b>Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.</b>

In compliance with Practice 12.1 of the MCCG 2021, the Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:-

(a) Shareholders' Communication and Investor Relations

The Company is committed to on-going communication across its entire shareholder base, whether institutional investors, private or employee shareholders. This is achieved principally through annual and quarterly reports and the AGM and timely dissemination of information on significant company developments and price sensitive information in accordance with the Main LR of Bursa Malaysia Securities. All the Directors were present physically and remotely at the Twenty-Fifth AGM of the Company held on 25 May 2023 to engage with the shareholders personally and proactively.

(b) Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible to the public. This Investor Relations section enhances the Investor Relations function by including all announcements made by the Company, a summary of key matters discussed at the AGM, Annual Reports as well as the financial information of the Company.

The announcement of the quarterly financial results is also made via Bursa LINK immediately after the Board's approval. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.

(c) Downloadable "Tiles Handbook"

The Board noted the Group has developed a unique "Tiles Handbook", which is downloadable from the Company's website at <http://www.whitehorse.my/>. The said Handbook focuses on the various aspects of ceramic tiles such as characteristics of the tiles, tips for choosing appropriate tiles prior to purchase, types of checks to be made before laying the tiles, methods of laying the tiles as well as care and maintenance of the tiles.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### (2) Conduct of General Meetings

<b>Intended Outcome 13.0</b>
<b>Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at General Meetings.</b>

#### (i) Notice of Annual General Meeting

The Notice of the Twenty-Fifth AGM together with the Annual Report are despatched to shareholders at least twenty-eight (28) days prior to the meeting date as a good corporate governance practice, and the same will continue to apply for forthcoming Twenty-Sixth AGM.

#### (ii) Attendance of Directors at General Meetings

All the members of the Board will be present to provide better opportunity for the shareholders to effectively engage with each Board member.

### KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to financial year ending 2024, the Board and its respective committees will:-

- Focus on major strategic issues to ensure sustainability and growth;
- Continue to monitor succession planning for the senior leadership team, to ensure a healthy pipeline of talent is emerging for future senior executive management;
- Consider other variety of approaches and independent sources to identify suitable candidate for appointment of Directors, should the need arise; and
- Continue to review the balance, experience and skills of the Board.

### CONCLUSION

The Board is satisfied that, it complies substantially with the practices of the MCCG 2021 during the FYE 2023 and up to the LPD.

This Statement and the Corporate Governance Report are made in accordance with the resolution passed by the Board on 17 April 2024.



## ADDITIONAL COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds

The Company did not raise any funds through any corporate proposal during the financial year ended 31 December 2023.

### 2. Audit and Non-Audit Services

During the financial year, the external auditors or their affiliated companies, have rendered certain audit and non-audit services to the Company and Group, a breakdown of which is listed below for information:-

	Company (RM)	Group (RM)
<b><u>Audit services rendered</u></b>		
Statutory audit		
- Messrs. Crowe Malaysia PLT	60,000	198,000
- member firms of Messrs. Crowe Malaysia PLT	-	31,462
- other auditors	-	77,235
<b>Subtotal</b>	<b>60,000</b>	<b>306,697</b>
<b><u>Non-audit services rendered</u></b>		
<b>Messrs. Crowe Malaysia PLT</b>		
Review of Statement on Risk Management and Internal Control	6,000	6,000
<b>Messrs. Crowe Governance Sdn. Bhd.</b>		
Engagement for Quality Assurance Review	36,000	36,000
<b>Messrs. Crowe KL Tax Sdn. Bhd.</b>		
Transfer Pricing Documentation Update	-	31,080
Application for Review to the Director General of Royal Malaysian Customs Department (RMCD)	-	23,750
<b>Subtotal</b>	<b>42,000</b>	<b>96,830</b>
<b>Total</b>	<b>102,000</b>	<b>403,527</b>

### 3. Material Contracts involving the Interests of the Directors, Chief Executive or Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, Chief Executive who is not a Director and/or major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

At the Twenty-Fifth Annual General Meeting of the Company held on 25 May 2023, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for recurrent related party transactions of revenue and trading nature ("**RRPT**").

The breakdown of the aggregate value of the RRPT conducted during the financial year ended 31 December 2023 pursuant to the Shareholders' Mandate, is set out below:-

Related Party	Transacting Party	Nature of Transaction	Aggregate value of transaction from 1 January 2023 to 31 December 2023 (RM)
Teobros Ceramica Sdn. Bhd. (" <b>TCSB</b> ")	Teo Kim Lap Teo Kim Tay Teo Swee Teng <i>(They are also directors and major shareholders in TCSB)</i>	(a) Sales of ceramic tiles including glazed and homogeneous tiles by White Horse Ceramic Industries Sdn. Bhd. (" <b>WHC</b> ") to TCSB	17,280,910
	Teo Boon Hoo <i>(He is a major shareholder in TCSB and is a brother to Teo Kim Lap, Teo Kim Tay and Teo Swee Teng) (via the transaction in TCSB)</i>	(b) Sales of ceramic tiles including glazed and homogeneous tiles by White Horse Marketing Sdn. Bhd. (" <b>WHM</b> ") to TCSB	281,612

## ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") (Cont'd)

Related Party	Transacting Party	Nature of Transaction	Aggregate value of transaction from 1 January 2023 to 31 December 2023 (RM)
White Horse Ceramic Co., Ltd ("WHCL")	Liao Shen Hua <i>(He is also a director and a major shareholder of WHCL) (via transaction in WHCL)</i>	(a) Sales of raw materials, machines, consumable supplies, ceramic tiles including glazed and homogeneous tiles and other related products by White Horse Berhad ("WHB") Group to WHCL	8,252,374
	Liao Shen Yao Liao Shen Chun Liao, Hung-Chang Liao Chen Mei Hsiu Liao Chia Feng Liao Chia Ning Liao Chung Yi	(b) Payment of user licensing, hardware and software maintenance and miscellaneous fee for Enterprise Resource Planning System	1,110,530
	<i>(Liao Shen Hua, Liao Shen Yao and Liao Shen Chun are siblings and cousin of Mr. Liao, Hung-Chang.</i>  <i>Liao Chen Mei Hsiu is the mother of Liao, Hung-Chang.</i>  <i>Liao Chia Feng, Liao Chia Ning, Liao Chung Yi are siblings of Mr. Liao, Hung-Chang)</i>	(c) Trademark Licence fee payable by WHC to WHCL	126,133
Yap Chai Eng	Teo Kim Tay <i>(spouse of Madam Yap Chai Eng)</i>	Rental payable by WHM to Madam Yap Chai Eng	23,598

## AUDIT COMMITTEE REPORT

The Board of Directors of White Horse Berhad (“**White Horse**” or “**the Company**”) is pleased to present the Audit Committee (“**AC**”) Report which provides insights as to the manner the Audit Committee discharged its functions for the Group for the financial year ended 31 December 2023 (“**FYE 2023**”), in compliance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and Malaysian Code on Corporate Governance (“**MCCG**”) 2021.

### Composition

The AC comprises three (3) members, which consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This complies with Paragraphs 15.09(1)(a) and (b) and 15.09(2) of the Main LR of Bursa Malaysia Securities.

The current composition of the Audit Committee is as follows:

Name	Designation	Directorship
Tai Lam Shin	Chairman	Independent Non-Executive Director
Rosita Yeo Swat Geok	Member	Senior Independent Non-Executive Director
Liao, Hung-Chang	Member	Non-Independent Non-Executive Director

### AC Chairman

Mr. Tai Lam Shin is a Fellow of the Chartered Association of Certified Accountants (FCCA) in United Kingdom and is a member of the Chartered Accountant of Malaysian Institute of Accountants (MIA). This complies with Paragraph 15.09(1)(c) of the Main LR of Bursa Malaysia Securities. In addition, Mr. Tai Lam Shin is an Independent Non-Executive Director which complies with Paragraph 15.10 of the Main LR of Bursa Malaysia Securities.

In compliance with Practice 9.1 of the MCCG 2021, the Chairman of the AC is not the Chairman of the Board.

### Review of Term of Office and Performance

For the FYE 2023, the Nomination Committee (“**NC**”) has reviewed the term of office and performance of the AC and each of its members annually. Upon review, the NC noted the AC and its members have carried out their duties in accordance with the Terms of Reference of AC, thereby complying with Paragraph 15.20 of the Main LR of Bursa Malaysia Securities.

### Formal assessment on the External Auditors

In compliance with Practice 9.3 of the MCCG 2021, the AC has established policies and procedures to assess the suitability, objectivity and independence of the External Auditors on annual basis to safeguard the quality and reliability of Audited Financial Statements, prior to making their recommendation to the Board whether to seek shareholders’ approval at next Annual General Meeting (“**AGM**”) for the re-appointment of External Auditors for the ensuing year.

Upon completion of its assessment, the AC was satisfied with Messrs. Crowe Malaysia PLT’s technical competency i.e. effectiveness, suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Crowe Malaysia PLT as external auditors for the financial year ending 31 December 2024. The Board has in turn, recommended the same for shareholders’ approval at the forthcoming AGM of the Company.

### Terms of Reference (“**TOR**”)

The latest TOR of the AC was revised on 17 November 2023 and it had expanded the role of AC to review the conflict of interest situations.

The updated TOR of the AC is available on the Company’s website at [www.whitehorse.my](http://www.whitehorse.my).

## AUDIT COMMITTEE REPORT (CONT'D)

### Meetings

The AC held a total of four (4) meetings during the FYE 2023. The details of attendance of the AC Meetings during the financial year were as below:-

Name	No. of Meetings attended	Percentage of Attendance (%)
Tai Lam Shin	4/4	100
Rosita Yeo Swat Geok	4/4	100
Liao, Hung-Chang	4/4	100

For the FYE 2023, the AC Meetings were held as follows:-

No.	AC Meeting Date	Private session with the External Auditors without Executive Directors and Management
(1)	23 February 2023	–
(2)	25 May 2023	–
(3)	23 August 2023	–
(4)	17 November 2023	✓

### Private Sessions

The AC shall be able to convene meetings with the External Auditors without the presence of the Executive Directors and Management ("**Private Session**"). For the FYE 2023, one (1) private session was held. At the Private Session, the External Auditors were encouraged to raise with the AC any matters they considered important to bring to the AC's attention. The lead audit engagement partner of the External Auditors responsible for the Group has attended the Private Session for the FYE 2023.

At the Private Sessions, the AC Chairman sought information on the communication flow between the External Auditors and the Management which was necessary to allow unrestricted access to information for the External Auditors to effectively perform their duties. For the FYE 2023, the External Auditors confirmed to the AC that there were neither restrictive nor non-co-operative behaviour exhibited by the Management during the course of their audit.

### AC Meeting Proceedings

Notices of AC Meetings and meeting papers were distributed to the AC at least one (1) week in advance prior to the meeting to enable the AC members to peruse and provide their feedbacks/comments at the meeting.

All deliberations during the AC Meetings were duly minuted. Minutes of AC Meetings were tabled for confirmation at every succeeding AC meeting.

The AC Chairman presented the AC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the AC Chairman would convey to the Board matters of significant concern raised by the Internal and/or External Auditors.

Mr. Kwan Kim Fook, the Regional Financial Controller normally attends AC Meetings. Other Board Members and/or employees would attend the AC Meetings upon the invitation of the AC.

## AUDIT COMMITTEE REPORT (CONT'D)

### Summary of Works Undertaken by the AC

The AC has undertaken the following works during the FYE 2023:-

#### (a) Oversight of Financial Reporting

- (i) Reviewed the unaudited quarterly financial results for the quarters ended 31 December 2022, 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023, respectively and recommended the same for the Board's approval.
- (ii) Reviewed the draft audited financial statements for the FYE 2023 and recommended the same for the Board's approval.
- (iii) Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

#### (b) Oversight of External Auditors

- (i) Reviewed the suitability and independence of the External Auditors vide a formalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said Assessment, the same has been recommended to the Board for approval.
- (ii) Reviewed the External Auditors' Audit Plan for FYE 2023 and Management's response.

#### (c) Oversight of Internal Audit Department ("IAD") and Function

- (i) Reviewed and adopted an Internal Audit Plan for FYE 2023.
- (ii) Reviewed and approved the internal audit reports for FYE 2023.
- (iii) Reviewed the effectiveness of internal audit processes as well as adequacy of scope, functions, competency and resources of the firm of internal auditors and that it has the necessary authority to carry out its work.
- (iv) Reviewed the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.
- (v) Reviewed the major findings of the internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations/suggestions of the internal audit function.
- (vi) Carried out private meeting with the Internal Auditor without the presence of the Executive Directors and Management of the Group.
- (vii) Reviewed the effectiveness of the internal audit function vide a formalised "Assessment on Internal Auditors".

#### (d) Review of Related Party Transactions ("RPT")

- (i) Reviewed the quarterly recurrent RPT Report, prepared by the IAD on the disclosures relating to RPT or conflict of interest situations that arose, persist within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts, if any and ensured compliance with provisions of the Main LR of Bursa Malaysia Securities.
- (ii) Issuance of Statement of AC for inclusion in the draft Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for entering into Recurrent RPTs to confirm the review of the terms of the Proposed Shareholders' Mandate and its satisfaction with the review procedures set out for recurrent RPTs.
- (iii) Reviewed the draft Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for entering into recurrent RPTs.

## AUDIT COMMITTEE REPORT (CONT'D)

### Summary of Works Undertaken by the AC (Cont'd)

The AC has undertaken the following works during the FYE 2023 (Cont'd):-

#### (e) Oversight of Risk Management Matters

- (i) Reviewed the principal risks identified by the Management and IAD and ensuring the implementation of appropriate internal controls and mitigation measures.
- (ii) Reviewed the AC Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2023.

### Conclusion made on Review of Recurrent RPTs for FYE 2023

From its review of RPTs entered into by the Company and its group of companies for the FYE 2023, the AC has concluded that the RPTs were conducted at arm's length basis and on normal commercial terms consistent with the Company's usual business practices and policies.

For FYE 2023, the AC was of the opinion that the Group has in place adequate procedures and processes to monitor, track and identify recurrent RPT in a timely and orderly manner.

The Recurrent Related Party Transactions of revenue and trading nature incurred by the Group for the FYE 2023 did not exceed the threshold prescribed under paragraph 10.09 (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### Internal Audit Function

#### (1) In-house IAD

The Company has an in-house IAD which report directly to the AC and assists the AC in discharging its functions and duties and is independent of the activities and operations that it audits. Its primary responsibility is to undertake regular and systematic reviews of the business operations, processes and procedures as well as compliances in order to provide independent and objective assurance that the Group's overall system of internal control and governance process continues to operate adequately and effectively.

The scope of internal audit covers the periodic audits of key departments, branches and overseas subsidiaries within the Group to test on the appropriateness of control design and implementation as well as compliance with existing policies and procedures.

The IAD performs periodic audits of the Company and subsidiaries within the Group based on a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on areas with high risk and potential inadequate controls to ensure that an adequate action plan is in place to improve the controls. For those areas with high risk and inadequate controls, the audit ascertains that the risks are effectively mitigated by the controls.

Other works undertaken by the IAD during the financial year include:-

- Ascertained the extend of compliance of established policies, procedures and statutory requirements;
- Reviewed the operation flow within the Group;
- Improvement measure is recommended to strengthen controls;
- Presented audit findings and discussed corrective actions to be taken in closing meeting with Management and in the quarterly AC Meetings;
- Follow up reviews on previous audit findings and recommendations are performed to assess the status of implementation and the results of such reviews are reported to the AC on regular basic, as well as any residual risks assessment after follow-up closures; and
- Presented the audit plan for the FYE 2023 to the AC.

## AUDIT COMMITTEE REPORT (CONT'D)

### Internal Audit Function (Cont'd)

#### (1) In-house IAD (Cont'd)

Profile of the Head of IAD is set out as follows:-

<b>Year of Appointment</b>	:	2001
<b>Principal Engagement Lead</b>	:	Chiang Hsieh Tsui-Ju
<b>Qualifications</b>	:	Degree in Accountancy
<b>Experiences</b>	:	23 years of experience in finance and accounting and internal audit functions
<b>Number of resources</b>	:	There are a total of five (5) staffs in IAD.

#### (2) IAD Audit Assignments for FYE 2023

Given the diverse nature of the Group's subsidiaries, the IAD has segregated their audit activities into three (3) main categories:-

- (a) Departmental Audit Assignments;
- (b) Malaysian Branches Audit Assignments; and
- (c) Overseas Subsidiaries Audit Assignments.

During the FYE 2023, the key activities carried out by Group Internal Audit included performed periodic audits of Group's subsidiaries, regional branches and head office department operations within the Group to test appropriateness of control design and implementation as well as compliance with existing policies and procedures. This included the conduct of the following audits:-

- Sales and marketing activities covering order processing management, pricing management, distributor management, sales returns management, customer rebate management, customer master file management, credit control management, debts collections management, budget planning and marketing spend;
- Production operations covering raw, packaging, work-in-progress materials, spare parts and finished goods management, quality assurance control management, repair and maintenance of plant facilities as well as plant safety and security;
- Human resources administration, payroll processing, training and staff development as well as building facilities and security;
- Procurement activities covering pre-qualification, sourcing, appointment, performance appraisal of suppliers, monitoring of purchase orders, contract management and vendor master file management;
- Information technology covering access management, IT operations (backup, disaster recovery and incident management) and network security;
- Regional branches operations covering implementation of policies on approving authority for its operating expenditure, finished goods management, logistic as well as warehouse security and safety; and
- Governance practices covering implementation of Group Policies and risk management process.



## AUDIT COMMITTEE REPORT (CONT'D)

### Internal Audit Function (Cont'd)

#### (2) IAD Audit Assignments for FYE 2023 (Cont'd)

Category of Audit Activities	Audit area/ entity	Audit Period
Departmental Audit Assignments	• Finance and accounting	January 2022 to December 2022 January 2023 to August 2023
	• International sales	June 2022 to April 2023
	• Customer service	September 2022 to November 2023
	• Warehouse	March 2021 to January 2023
	• Human Resource	March 2021 to September 2022
	• Management Information System	September 2020 to September 2023
	• Purchasing	February 2021 to August 2023
Malaysian Branches Audit Assignments	• Batu Pahat	December 2022 to June 2023
	• Klang	May 2022 to January 2023 February 2023 to September 2023
	• Kuching	August 2022 to May 2023
	• Kuantan	April 2022 to March 2023 April 2023 to September 2023
	• Kuala Lumpur	October 2022 to July 2023
	• Kota Bahru	December 2022 to August 2023
	• Kota Kinabalu	August 2022 to March 2023 March 2023 to July 2023
	• Alor Setar	September 2020 to December 2022 January 2023 to November 2023
	• Butterworth	September 2020 to December 2022 January 2023 to November 2023
	• Ipoh	September 2020 to December 2022 January 2023 to November 2023
	• Johor Bahru	December 2021 to November 2022 December 2022 to July 2023
Overseas Subsidiaries Audit Assignments	• Thailand	July 2022 to May 2023
	• Singapore	July 2022 to March 2023
	• Philippines	September 2022 to February 2023 March 2023 to October 2023
	• China	October 2019 to August 2023

For FYE 2023, representatives from the IAD attended one (1) AC Meeting to table their findings and reports.

## AUDIT COMMITTEE REPORT (CONT'D)

### Internal Audit Function (Cont'd)

#### (2) **IAD Audit Assignments for FYE 2023 (Cont'd)**

##### ***Internal Audit Review and Assurance***

For the FYE 2023, IAD has completed 69.8% of planned schedule (FYE 2022: 38.5%) in accordance with their risk-based Internal Audit Schedule for FYE 2023.

The internal audits performed met the objective of highlighting to the AC the audit findings which required follow-up action by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system. It ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.

For the FYE 2023, the IAD engagement team personnel, including the Principal Engagement Team Leader, have affirmed to the AC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

#### (3) **Internal Audit Charter**

The AC has adopted an Internal Audit Charter in order to formalise the remit of the IAD and the Internal Audit function as well as to regulate the process to review the adequacy of scope, functions, competency and resources of the internal audit function.

The Internal Audit Charter comprises the following items:-

- (i) In-House Internal Audit Charter;
- (ii) Terms of Reference for in-house internal audit function;
- (iii) Authority;
- (iv) Reporting;
- (v) Objectivity and independence;
- (vi) Objectives and scope of work;
- (vii) Internal audit function administration;
- (viii) Oversight functions of the AC in relation to internal audit functions; and
- (ix) Review of Internal Audit Charter.

The Internal Audit Charter was adopted by the Board on 26 February 2016 and subsequently reviewed by the Board on 20 November 2018 and 1 July 2023.

#### (4) **Internal Audit Function Review**

On a yearly basis, the AC would conduct an internal audit function review to review the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities ("**the IA Review**").

For the FYE 2023, the IA Review has been conducted by the AC on 17 November 2023. The AC has conducted the IA Review based on the following criteria:-

- Understanding;
- Charter and structure;
- Skills and experiences;
- Communication; and
- Performance.

Upon review, the AC was satisfied with the performance and the conduct of IAD for the FYE 2023.

## AUDIT COMMITTEE REPORT

(CONT'D)

### Internal Audit Function (Cont'd)

#### (5) Operational costs incurred by IAD for the FYE 2023

The operational cost incurred by the IAD for FYE 2023 amounted to RM559,015.10. (2022: RM500,108.20).

This AC Report is made in accordance with the Resolution passed by the Directors at the Board of Directors' Meeting held on 28 February 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**")'s Main Market Listing Requirements ("**MMLR**"), the Board of Directors ("**the Board**") of White Horse Berhad is pleased to provide its Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2023 ("**the Statement**"), which has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies issued by the Task Force on Internal Control with the support and endorsement of the Bursa Malaysia Securities and Part II of Principle B, Intended Outcome 10.0, Practices 10.1 and 10.2 read together with Guidance 10.1 and 10.2 as set out in the Malaysian Code on Corporate Governance 2021 which relate to risk management and internal control framework.

## RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibilities to maintain a sound system of internal control and effective risk management to safeguard shareholders' investment and the Group assets, and for reviewing its adequacy and integrity.

The Board has a current internal control system which identifies, evaluates and manages significant risks encountered by the Group.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system could provide only reasonable but not absolute assurance against any material misstatement, operational failures, fraud or loss.

The Board is assisted by the Audit Committee ("**AC**") and Risk Management Committee to review the adequacy and effectiveness of the system of internal controls and to ensure that a mix of techniques is used to obtain the level of assurance required by the Board.

The Board has received assurance from the Group Managing Director and the Deputy Group Managing Director that, to the best of their knowledge, the Group's risk management and internal control system will operate adequately and effectively, in all material aspects, based on the risk management and internal control system.

## RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives, throughout the year under review. This process is reviewed by the Board via the AC; while Management and Heads of Divisions are delegated the responsibility to manage risks related to their respective division units. The process requires the Management and Head of Division to comprehensively identify and assess the relevant types of risks in terms of likelihood and magnitude of impact, as well as to identify and evaluate the adequacy and effectiveness of applying the mechanisms to manage and mitigate these risks. Key risks relating to the Group's operations are deliberated at the business units' and Company's monthly meetings attended by key management personnel and significant risks are communicated to the Board at their scheduled meetings.

The Board and management practice proactive significant risks identification on a yearly basis or earlier as appropriate, particularly for any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a level acceptable to the Board.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INDEPENDENCE OF AUDIT COMMITTEE

The Audit Committee comprises mainly of Independent Non-Executive Directors who each has the relevant experience and qualification to perform their duties effectively. The Audit Committee has full access to both the Internal as well as External Auditors.

The Audit Committee, on behalf of the Board, considers the effectiveness of the operation of internal control procedures in the Group during the financial year. The Audit Committee reviews internal control issues identified by the internal auditors, the external auditors and the management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control system. It also conducts a review of the internal audit functions with emphasis on the scope of audits, quality and independence of the Internal Audit Department.

### INTERNAL AUDIT DEPARTMENT

The Board acknowledges the importance of internal audit. The Group Internal Auditors perform periodic audits of the Company and subsidiaries within the Group based on a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on areas with high risk and potential inadequate controls to ensure that an adequate action plan is in place to improve the controls. For those areas with high risk and inadequate controls, the audit ascertains that the risks are effectively mitigated by the controls.

All audit findings, recommendations and Management's actions are rigorously deliberated at the AC meetings before being reported to the Board. Quarterly reports to the AC track the progress towards completion of all corrective actions taken on issues highlighted by the Group Internal Auditors.

Based on the internal audit reviews conducted, none of the audit issues noted have resulted in any material control deficiencies. Details of the activities of the internal audit function are provided in the AC Report of this Annual Report.

Group Internal Audit did not have any direct operational responsibility or authority over any of the activities it audited or had engaged in any activity that might impair the Internal Auditor's judgement. All the Internal Auditors had confirmed via an annual declaration that they were free from any relationship or conflict of interest which could impair their objectivity and independence.

The Group Internal Audit had adopted and complied with the International Standards for the Professional Practice of Internal Auditing ("**IIA Standards**") issued by the International Internal Audit Standards Board. The department maintained a quality assurance and improvement program to evaluate the internal audit activity's conformance with the IIA Standards and the Code of Ethics. The quality assurance and improvement program included both annual Internal Self-Assessment and an External Assessment conduct by a qualified independent consulting firm, appointed once every 5 to 8 years.

During the FYE 2023, the AC had through an independent consultant, Crowe Governance Sdn. Bhd., assessed the performance of the Group Internal Audit Function via Quality Assurance Review. Based on the assessment finding, most of the Internal Audit activities met the IIA Standards and Code of Ethics. Thereafter, the Group Internal Auditors also had made some efforts and achieved significant progress which further improved the Internal Audit activities.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### OTHER KEY FEATURES OF THE INTERNAL CONTROLS

The monitoring, review and reporting arrangements in place give reasonable assurance that the structure of controls and their implementation are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report is sound and sufficient to safeguard the shareholders' investment, the interest of customers, regulators, employees and the Group's assets.

The other key elements of the Group's internal control system are described below:-

- i. The organisation structure is clearly defined by means of organisation charts and main job function and responsibilities are communicated to all levels.
- ii. Clearly documented internal policies and procedures are set out in a series of standard operating procedures, which are constantly reviewed for improvement to reflect changes in business structures and processes.
- iii. The Board and the AC meet every quarter to discuss matters raised by Management and Internal Auditors on business and operational matters including potential risks and control issues. The Group Managing Director also reports to the Board on significant changes in business and external environment. Monthly financial reports which include key financial information of major subsidiaries are submitted to the Board by the Regional Financial Controller.
- iv. Regular internal audit visits, which provide independent assurance on the effectiveness of the Group's system of internal control and advise Management on areas for further improvement.
- v. The Group has a policy on approving authority for its operating and capital expenditure.
- vi. Budgetary control is applied to every department and division in the Group and actual performance is closely monitored against budgets to identify significant variances. Discussions are held regularly between the Management and the Head of Division to ensure the budgets are attainable and realistic.
- vii. Monthly management meetings are held to provide a forum where management undertakes overall responsibility for periodic reviews to identify, discuss and resolve key operational issues, to further improve its effectiveness.
- viii. Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programs and workshops to enhance their knowledge and expand the employees' competency level in executing daily functions. Relevant training and courses have been provided to employees across all functions to maintain a high level of competency.
- ix. The Group has implemented competitive incentives and improves welfares to attract and retain human resources. The Group has diversified its sources of labour. At the same time, efforts are also being made to improve productivity, which also partially mitigates the increasing cost of human resources.
- x. A Code of Ethics for all employees which defines the ethical standards and conduct at work is communicated to all employees upon their employment.
- xi. The Group emphasises continuous effort in maintaining the quality of its products. The Directors ensure that safety and health regulations, environment controls and all other legislations in connection with the industry have been considered and complied with.
- xii. Sufficient insurance coverage on major assets is in place to ensure the Group's assets are adequately covered against risks that can result in material losses, and it is reviewed regularly to ensure adequate insurance coverage to protect the Group from potential claims and loss.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### OTHER KEY FEATURES OF THE INTERNAL CONTROLS (CONT'D)

The other key elements of the Group's internal control system are described below (Cont'd):-

- xiii. A whistle-blowing policy and procedures is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders to raise genuine concerns about possible improprieties, improper conduct or other malpractices within the Group in an appropriate way.
- xiv. The Group operates on an Enterprise Resource Planning ("ERP") system which integrates various aspects of the Group's operations except overseas subsidiaries. The ERP system provides management with data, analysis, variations, exceptions and others input relevant to the Group's performance. Employees within the Group are guided by the Management Information System policy, Access Management Security Policy and End User policy.
- xv. The Group has adopted an Anti-Bribery and Anti-Corruption Policy in line with the enforcement of the new provision, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption. In adherence to this Policy, the Group has adopted a zero tolerance approach to all forms of corruption and bribery. The Group is committed to conduct its business with the highest level of integrity and ethics and to comply with applicable laws, rules and regulations on anti-bribery and anti-corruption. The Anti-Bribery and Corruption Policy is available at the Group's website [www.whitehorse.my](http://www.whitehorse.my).

### OTHERS MATTERS

All Recurrent Related Parties Transactions are dealt with in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The AC and the Board review the Recurrent Related Parties Transactions at the respective meetings of the Audit Committee and the Board.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Malaysia Securities MMLR, the external auditors have reviewed the Statement for inclusion in the Annual Report for the financial year ended 31 December 2023. Their review is performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for auditors on engagements to report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants. The external auditors' procedures have been conducted to assess whether the Statement is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the risk management and internal control system of the Group.

AAPG 3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosure required by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### CONCLUSION

The Board is committed towards operating and maintaining a sound system of internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control. There were no material losses incurred during the financial year as a result of weaknesses in internal control.

For the financial year under review and up to the date of approval of the statement, based on inquiry, information and assurances provided by the Group Managing Director and Deputy Group Managing Director, the Board is satisfied that the Group's risk management and internal control system is operating adequately and effectively in all materials aspects. Measures are in place and continually being taken to ensure the ongoing adequacy and effectiveness of risk management and internal control to safeguard the Group's assets and enhance shareholders' investment.

The statement is made in accordance with a resolution passed by the Directors at the Board of Directors' Meeting held on 28 February 2024.



## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and their financial performance and cash flows for the financial year ended.

In the preparation of the annual financial statements, the Directors have also:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:-

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 31 December 2023.

This statement of Directors' responsibility for preparing the financial statements is made in accordance with a resolution passed by the Directors on 17 April 2024.

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are set out in the "Subsidiaries" of this report.

### RESULTS

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Loss after taxation for the financial year	(16,582)	(295)

### DIVIDENDS

No dividend was recommended by the directors for the financial year.

### RESERVES AND PROVISIONS

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

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### TREASURY SHARES

As at 31 December 2023, the Company held as treasury shares a total of 19,474,400 of its 240,000,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM24,314,843.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## DIRECTORS' REPORT

(CONT'D)

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

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

- (a) 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
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## DIRECTORS' REPORT

(CONT'D)

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Teo Swee Teng  
Cheng Soon Mong  
Lau Lee Jan  
Liao Hung Chang  
Liao Shen Hua  
Liao Shen Yao  
Rosita Yeo Swat Geok  
Tai Lam Shin  
Teo Kim Lap  
Teo Kim Tay

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chang Huai Wei  
Chen Hen Jui

## DIRECTORS' REPORT

(CONT'D)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

The Company	Number of Ordinary Shares			At 31.12.2023
	At 1.1.2023	Bought	Sold	
<i>Direct Interests</i>				
Cheng Soon Mong	4,877,735	-	-	4,877,735
Liao Hung Chang	8,173,430	218,000	-	8,391,430
Liao Shen Hua	3,437,824	300,000	-	3,737,824
Liao Shen Yao	3,217,897	89,000	-	3,306,897
Teo Kim Lap	11,083,027	-	-	11,083,027
Teo Kim Tay	12,409,015	-	-	12,409,015
Teo Swee Teng	11,073,593	-	-	11,073,593
<i>Indirect Interests</i>				
Cheng Soon Mong ^	750,680	949,004	(506,680)	1,193,004
Liao Shen Hua ^	8,500,000	-	-	8,500,000
Liao Shen Yao ^	8,000,000	340,000	-	8,340,000
Liao Hung Chang *	4,020,000	514,896	-	4,534,896
Teo Kim Lap ^	1,300,000	-	-	1,300,000
Teo Swee Teng ^	1,843,000	-	-	1,843,000

\* Deemed interested by virtue of his direct substantial shareholdings in Ding Qiao Investment Co., Ltd. and Ding Ya Investment Co., Ltd.

^ Deemed interested through his family members' shareholdings in the Company.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations 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 directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the 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 except for any benefits which may be deemed to arise from the following transactions:-

<i>Companies in which certain directors have financial interests</i>	<b>The Group RM'000</b>
Sales of goods to:	
- Teobros Ceramica Sdn. Bhd.	17,563
- White Horse Ceramic Co., Ltd.	7,356
Sales of raw materials, consumable supplies and products to White Horse Ceramic Co., Ltd.	897

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

## DIRECTORS' REPORT

(CONT'D)

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Fees	710	150
Salaries, bonuses and other benefits	1,404	8
Defined contribution benefits	102	-
	2,216	158

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM30,325.

### INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM19,842 respectively. No indemnity was given to or insurance effected for auditors of the Company.

### SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<b><i>Subsidiaries of the Company</i></b>			
White Horse Ceramic Industries Sdn. Bhd.	Malaysia	100 %	Manufacture and distribution of ceramic and homogeneous tiles, as well as related support services activities incidental to transportation
White Horse Marketing Sdn. Bhd.	Malaysia	100 %	Distribution of ceramic and homogeneous tiles
White Horse Ceramic Industries (Vietnam) Co., Ltd.	Vietnam	100 %	Distribution of ceramic and homogeneous tiles
<b><i>Subsidiaries of White Horse Ceramic Industries Sdn. Bhd.</i></b>			
White Horse Ceramic (S) Pte. Ltd.	Singapore	100 %	Distribution of ceramic and homogeneous tiles
White Horse Ceramic (Phil.) Inc.	Philippines	100 %	Distribution of ceramic and homogeneous tiles
White Horse Ceramic (Thailand) Ltd.	Thailand	100 %	Distribution of ceramic and homogeneous tiles
PT. WH Ceramic Indonesia	Indonesia	100 %	Distribution of ceramic and homogeneous tiles
Grand Mark International Co., Ltd.	People's Republic of China	100 %	Distribution of ceramic, building materials and hardware

## DIRECTORS' REPORT

(CONT'D)

### SUBSIDIARIES (CONT'D)

- (b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification other than PT. WH Ceramic Indonesia, which was placed under Members' Voluntary Liquidation in year 2020 and not required to be audited under the laws of the country of incorporation.

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Audit fees	307	60
Non-audit fees	6	6
	313	66

Signed in accordance with a resolution of the directors dated 17 April 2024

**Teo Swee Teng**

**Cheng Soon Mong**



## STATEMENT BY DIRECTORS

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

We, Teo Swee Teng and Cheng Soon Mong, being two of the directors of White Horse Berhad, state that, in the opinion of the directors, the financial statements set out on pages 78 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 17 April 2024

**Teo Swee Teng**

**Cheng Soon Mong**

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Cheng Soon Mong, being the director primarily responsible for the financial management of White Horse Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 133 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Cheng Soon Mong  
at Melaka  
in the State of Melaka  
on this 17 April 2024

**Cheng Soon Mong**

Before me  
M084  
Shahrizah Binti Yahya  
BC/S/1135  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WHITE HORSE BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of White Horse Berhad, which comprise the statements of financial position as at 31 December 2023 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 financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 133.

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 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International 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 *Auditors' 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial 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.

**INDEPENDENT AUDITORS' REPORT**  
TO THE MEMBERS OF WHITE HORSE BERHAD  
(CONT'D)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report.

Adequacy of inventory written down Refer to Notes 4.7 and 11 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 December 2023, the carrying amount of inventories was RM190.7 million, representing 25.5% of total assets of the Group and is also the largest component in current assets. Included in inventories were RM80.9 million of various categories of inventories stated at net realisable value ("NRV");</p> <p>The Group constantly develops new products/designs to cater for consumers' changing preference for tile designs. The demand for a particular tile design will naturally slow down after a certain period and that may affect the NRV of the finished goods;</p> <p>The abovementioned is also disclosed in Note 4.1(c) to the financial statements as one of the key assumptions used by management under the section of <i>Key Sources of Estimation Uncertainty</i>; and</p> <p>For the current financial year ended 31 December 2023, there is RM7.8 million of reversal of inventories written down. The accumulated write-down of inventories as at 31 December 2023 of the Group is RM38.2 million.</p>	<p>We focused on this area because the inventories balance is significant to the statements of financial position and the inventory written down requires a high level of judgement based on management's experience.</p> <p>We have performed the following audit procedures in relation to adequacy of inventory written down:</p> <ul style="list-style-type: none"> <li>• Performed tests on inventories ageing report by selecting samples and checked to the date of stock-in (purchase date) to the appropriate age band;</li> <li>• Assessed the adequacy of inventories written down and whether the write-down policy is adhered to; and</li> <li>• Performed net realisable value test on the inventories. We also assessed the basis used by management in estimating the selling price, less estimated costs necessary to make the sale of these inventories by comparing to recently transacted prices.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WHITE HORSE BERHAD  
(CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (Cont'd)

<b>Impairment Assessment of Property, Plant and Equipment ("PPE") and Right-of-Use Assets ("ROU") of the Group's Malaysia Operations ("Malaysia CGU")</b> Refer to Notes 4.5, 4.6, 6 and 7 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 December 2023, the Group has PPE and ROU related to its Malaysia CGU with carrying amounts of RM203.7 million and RM65.3 million respectively representing approximately 35.9% of the Group's total assets;</p> <p>The Malaysia CGU has been incurring losses since financial year 2018. These resulted in indications that the carrying amounts of PPE and ROU may be impaired. Accordingly, the estimated recoverable amounts of the PPE and ROU are determined based on the higher of its fair value less costs of disposal ("FV") and its value-in-use ("VIU");</p> <p>VIU is calculated using cash flows projections and discounting them at an appropriate rate. The FV on the PPE and ROU were based on valuation by independent professional valuers;</p> <p>The abovementioned is also disclosed in Note 4.1(b) to the financial statements as one of the key assumptions used by management under the section of <i>Key Sources of Estimation Uncertainty</i>;</p> <p>As of the end of the reporting period, no impairment loss has been recognised in profit or loss of the Group. The accumulated impairment losses on PPE and ROU as at 31 December 2023 of the Group are RM13.5 million and RM5.4 million respectively; and</p> <p>The recoverable amount of the Group's PPE and ROU is highly sensitive to key assumptions applied in respect of future revenue growth rate and gross margin used in the cash flows projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.</p>	<p>We identified the impairment review of PPE and ROU as a key audit matter as these two items collectively represent the largest component in the Group's statements of financial position and the use of significant judgement in determining the recoverable amounts.</p> <p>We have performed the following audit procedures to address this area of audit focus:</p> <ul style="list-style-type: none"> <li>• Obtained the future cash flow projections and the assumptions used by the management for the purpose of these projections together with calculations for deriving the VIU of the relevant CGU and the residual values of the PPE and ROU;</li> <li>• Evaluated the key assumptions applied such as revenue growth and compared to those in the previous financial years;</li> <li>• Performed a sensitivity analysis by changing certain key assumptions used in the VIU calculation and assessed the impact of the recoverable amounts of the PPE and ROU;</li> <li>• Assessed whether the discount rate (weighted average cost of capital) used to determine the present value of the future cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile comparable to those that the entity expects to derive; and</li> <li>• Evaluated the objectivity and competency of the independent professional valuers and the methodology and key assumptions used by the valuers in the valuation based on our knowledge of the industry and checked the comparability of the input data used to current industry data.</li> </ul>

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITE HORSE BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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, 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 other information 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 other information and, in doing so, consider whether the other information is 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 this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the 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, International 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, disclosing, as applicable, matters related to 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 judgement 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 the Company's internal control.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITE HORSE BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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 judgement and maintain professional scepticism throughout the audit. We also (Cont'd):-

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 financial statements of the Group. 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, actions taken to eliminate threats or safeguards applied.

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 financial 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.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

**INDEPENDENT AUDITORS' REPORT**  
TO THE MEMBERS OF WHITE HORSE BERHAD  
(CONT'D)

**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.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Melaka

17 April 2024

**Piong Yew Peng**  
03070/06/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	–	–	212,333	212,333
Property, plant and equipment	6	210,114	222,410	–	–
Right-of-use assets	7	67,064	71,124	–	–
Other receivables	8	211	214	–	–
Goodwill	9	677	677	–	–
Deferred tax assets	10	360	88	–	–
		278,426	294,513	212,333	212,333
<b>CURRENT ASSETS</b>					
Inventories	11	190,740	227,342	–	–
Right of return assets		469	660	–	–
Trade and other receivables	8	93,310	83,866	2,001	2,491
Other current assets	12	13,309	17,908	76	76
Current tax assets		1,203	830	78	77
Fixed deposits with licensed banks	13	110,524	93,840	7,800	7,600
Cash and bank balances	14	60,856	44,543	242	244
		470,411	468,989	10,197	10,488
<b>TOTAL ASSETS</b>		<b>748,837</b>	<b>763,502</b>	<b>222,530</b>	<b>222,821</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	15	246,936	246,936	246,936	246,936
Treasury shares	16	(24,315)	(24,315)	(24,315)	(24,315)
Retained profits/ (Accumulated losses)		334,669	351,251	(231)	64
Foreign currency translation reserve	17	27,944	23,275	–	–
<b>TOTAL EQUITY</b>		<b>585,234</b>	<b>597,147</b>	<b>222,390</b>	<b>222,685</b>

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



## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023  
(CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT LIABILITIES					
Other payables	20	290	245	-	-
Long-term borrowings	21	15,600	1,616	-	-
Deferred tax liabilities	10	-	824	-	-
		15,890	2,685	-	-
CURRENT LIABILITIES					
Trade and other payables	20	64,158	65,497	140	136
Refund liabilities		944	1,152	-	-
Short-term borrowings	22	81,587	96,266	-	-
Current tax liabilities		1,024	755	-	-
		147,713	163,670	140	136
TOTAL LIABILITIES		163,603	166,355	140	136
TOTAL EQUITY AND LIABILITIES		748,837	763,502	222,530	222,821

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	23	421,694	413,615	–	2,500
COST OF SALES		(362,575)	(334,668)	–	–
GROSS PROFIT		59,119	78,947	–	2,500
OTHER INCOME		9,825	18,750	192	556
		68,944	97,697	192	3,056
ADMINISTRATIVE EXPENSES		(56,780)	(62,295)	(466)	(422)
SELLING AND DISTRIBUTION EXPENSES		(24,157)	(26,693)	–	–
FINANCE COSTS		(4,713)	(3,221)	–	–
NET REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	314	1,510	–	–
(LOSS)/PROFIT BEFORE TAXATION	25	(16,392)	6,998	(274)	2,634
INCOME TAX EXPENSE	27	(190)	(6,206)	(21)	–
(LOSS)/PROFIT AFTER TAXATION		(16,582)	792	(295)	2,634
OTHER COMPREHENSIVE INCOME <u>Item that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		4,669	2,305	–	–
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(11,913)	3,097	(295)	2,634
(LOSS)/EARNINGS PER SHARE (SEN)					
Basic/Diluted	28	(7.5)	0.4		

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

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

<b>The Group</b>	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Non- distributable Foreign Currency Translation Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
Balance at 1.1.2023	246,936	(24,315)	23,275	351,251	597,147
Loss after taxation for the financial year	-	-	-	(16,582)	(16,582)
Other comprehensive income for the financial year:					
- Foreign currency translation differences	-	-	4,669	-	4,669
Total comprehensive expenses for the financial year	-	-	4,669	(16,582)	(11,913)
Balance at 31.12.2023	246,936	(24,315)	27,944	334,669	585,234

<b>The Group</b>	<b>Note</b>	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Non- distributable Foreign Currency Translation Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
Balance at 1.1.2022		246,936	(24,315)	20,970	357,075	600,666
Profit after taxation for the financial year		-	-	-	792	792
Other comprehensive income for the financial year:						
- Foreign currency translation differences		-	-	2,305	-	2,305
Total comprehensive income for the financial year		-	-	2,305	792	3,097
Contributions by and distributions to owners of the Company:						
- Dividend	29	-	-	-	(6,616)	(6,616)
Total transaction with owners		-	-	-	(6,616)	(6,616)
Balance at 31.12.2022		246,936	(24,315)	23,275	351,251	597,147

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

**STATEMENTS OF CHANGES IN EQUITY**  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
 (CONT'D)

<b>The Company</b>	<b>Note</b>	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Distributable Retained Profits/ (Accumulated Losses) RM'000</b>	<b>Total Equity RM'000</b>
Balance at 1.1.2022		246,936	(24,315)	4,046	226,667
Profit after taxation/Total comprehensive income for the financial year		–	–	2,634	2,634
Contributions by and distributions to owners of the Company:					
- Dividend	29	–	–	(6,616)	(6,616)
Total transaction with owners		–	–	(6,616)	(6,616)
Balance at 31.12.2022/1.1.2023		246,936	(24,315)	64	222,685
Loss after taxation/Total comprehensive expenses for the financial year		–	–	(295)	(295)
Balance at 31.12.2023		246,936	(24,315)	(231)	222,390

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(16,392)	6,998	(274)	2,634
Adjustments for:-				
Bad debts (recovered)/written off	(2)	12	-	-
Depreciation of property, plant and equipment	13,671	23,974	-	-
Depreciation of right-of-use assets	4,932	5,103	-	-
Effect of changes in lease termination	-	(4)	-	-
Gain on disposal of property, plant and equipment	(2,582)	(546)	-	-
Gain on disposal of right-of-use assets	-	(11,354)	-	-
Interest expense on lease liabilities	185	179	-	-
Interest income	(5,069)	(3,763)	(192)	(95)
Reversal of inventories written down	(7,838)	(2,702)	-	-
Finance costs	4,528	3,042	-	-
Property, plant and equipment written off	12	60	-	-
Reversal of impairment loss on trade receivables	(314)	(1,510)	-	-
Unrealised loss/(gain) on foreign exchange	875	(1,184)	-	-
Operating (loss)/profit before working capital changes	(7,994)	18,305	(466)	2,539
(Increase)/Decrease in receivables	(8,409)	17,914	(5)	14
Decrease/(Increase) in other current assets	4,597	(3,926)	-	3
Decrease/(Increase) in inventories and right of return assets	44,631	(66,913)	-	-
(Decrease)/Increase in payables and refund liabilities	(1,327)	(363)	4	(2)
CASH FROM/(FOR) OPERATIONS	31,498	(34,983)	(467)	2,554
Income tax paid	(1,422)	(6,756)	(22)	(21)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	30,076	(41,739)	(489)	2,533

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

**STATEMENTS OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Interest income received		5,069	3,763	192	95
Net repayment from/(advances to) a subsidiary		–	–	495	(1,042)
Purchase of property, plant and equipment	30(a)	(2,037)	(3,084)	–	–
Purchase of right-of-use assets	30(a)	–	(15,400)	–	–
Proceeds from disposal of property, plant and equipment		3,698	559	–	–
Proceeds from disposal of right-of-use assets		–	17,542	–	–
Placement of fixed deposits with tenure more than 3 months		(7,223)	(61,440)	–	–
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(493)</b>	<b>(58,060)</b>	<b>687</b>	<b>(947)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Dividend paid	29	–	(6,616)	–	(6,616)
Interest paid	30(b)	(4,713)	(3,221)	–	–
Repayment of lease liabilities	30(b)	(2,780)	(2,754)	–	–
Drawdown of term loan	30(b)	17,000	–	–	–
Repayment of term loan	30(b)	(197)	–	–	–
Net (repayment)/drawdown of bankers' acceptances	30(b)	(11,122)	39,008	–	–
Net repayment of revolving credits	30(b)	(6,060)	(14,035)	–	–
Net advances from/(repayment to) companies in which certain directors have financial interests	30(b)	3	(16,402)	–	(16,660)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(7,869)</b>	<b>(4,020)</b>	<b>–</b>	<b>(23,276)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>21,714</b>	<b>(103,819)</b>	<b>198</b>	<b>(21,690)</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>		<b>4,060</b>	<b>3,149</b>	<b>–</b>	<b>–</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>76,943</b>	<b>177,613</b>	<b>7,844</b>	<b>29,534</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	30(d)	<b>102,717</b>	<b>76,943</b>	<b>8,042</b>	<b>7,844</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : PLO 464, Jalan Gangsa  
Pasir Gudang Industrial Estate  
81700 Pasir Gudang  
Johor

Principal place of business : PLO 464, Jalan Gangsa  
Pasir Gudang Industrial Estate  
81700 Pasir Gudang  
Johor

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 April 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(CONT'D)

### 3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follow:-

#### Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
---	-----------------------

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **4.1 Critical Accounting Estimates and Judgements**

###### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made 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 other than as disclosed below:-

###### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

###### **(b) Impairment of Property, Plant and Equipment and Right-of-use Assets**

The Group determines whether an item of its property, plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

###### **(c) 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. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

###### **(d) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 8 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 Critical Accounting Estimates and Judgements (Cont'd)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(e) Impairment of Cost of Investment in a Subsidiary of the Company**

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

##### **(f) Estimating Variable Consideration for Returns, Rebates and Discounts**

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return, rebates and discounts.

The Group developed a statistical model for forecasting sales returns, rebates and discounts. The model used the historical data of each product to come up with expected percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical pattern will impact the expected percentages estimated by the Group.

The Group updates its assessment of expected returns, rebates and discounts annually and the refund liabilities are adjusted accordingly. Estimates of expected returns, rebates and discounts are sensitive to changes in circumstances and the Group's past experience may not be representative of customers' actual returns, rebates and discounts in the future.

##### **(g) 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 expense and deferred tax balances in the period in which such determination is made.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### 4.2 Financial Instruments

###### (a) Financial Assets

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### (b) Financial Liabilities

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

###### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

###### Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

###### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

##### 4.3 Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.4 Investments in Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 4.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation periods are:-

Buildings	3 to 99 years
Other assets	3 to 10 years
Plant and machinery	5 to 12 years

Capital work-in-progress represent factory buildings under construction. They are not depreciated until such time when the asset is available for use.

#### 4.6 Right-of-use Assets and Lease Liabilities

##### (a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

#### 4.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, production costs plus other costs incurred in bringing the inventories to their present location and condition.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.8 Functional and Foreign Currencies

##### (a) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

##### (b) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

#### 4.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.10 Impairment

##### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

##### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows 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 it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

#### 4.12 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### 4.13 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### 4.14 Revenue from Contracts with Customers

The Company is in the business of investment holding and the provision of management services, while the Group is in the business of manufacturing and distributing of ceramic and homogeneous tiles, as well as related support services activities incidental to transportation. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements.

##### (a) Sale of Goods

Revenue from sale of tiles is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit terms range from 30 to 180 days upon delivery. Other credit terms are assessed and approved on a case-by-case basis.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.14 Revenue from Contracts with Customers (Cont'd)

##### (a) Sale of Goods (Cont'd)

###### *Variable Consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

###### Right of Return

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in MFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

###### Rebates and Discounts

The Group provides retrospective volume rebates, early payment rebates and other discounts to customers. Rebates and discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates and discounts, the Group applies the expected value method.

##### (b) Assets and Liabilities Arising from Rights of Return

###### (i) *Right of Return Assets*

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

###### (ii) *Refund Liabilities*

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of the financial year.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**5. INVESTMENTS IN SUBSIDIARIES**

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	244,076	244,076
Accumulated impairment losses	(31,743)	(31,743)
	212,333	212,333

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
<b><i>Subsidiaries of the Company</i></b>				
White Horse Ceramic Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacture and distribution of ceramic and homogeneous tiles, as well as related support services activities incidental to transportation
White Horse Marketing Sdn. Bhd.	Malaysia	100%	100%	Distribution of ceramic and homogeneous tiles
White Horse Ceramic Industries (Vietnam) Co., Ltd. *	Vietnam	100%	100%	Distribution of ceramic and homogeneous tiles
<b><i>Subsidiaries of White Horse Ceramic Industries Sdn. Bhd.</i></b>				
White Horse Ceramic (S) Pte. Ltd. ^	Singapore	100%	100%	Distribution of ceramic and homogeneous tiles
White Horse Ceramic (Phil.) Inc. ^	Philippines	100%	100%	Distribution of ceramic and homogeneous tiles
White Horse Ceramic (Thailand) Ltd. ^	Thailand	100%	100%	Distribution of ceramic and homogeneous tiles
PT. WH Ceramic Indonesia #	Indonesia	100%	100%	Distribution of ceramic and homogeneous tiles
Grand Mark International Co., Ltd. *	People's Republic of China	100%	100%	Distribution of ceramic, building materials and hardware

\* These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

^ These subsidiaries were audited by other firms of chartered accountants.

# The subsidiary is under Members' Voluntary Liquidation in year 2020 and not required to be audited under the laws of the country of incorporation.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2023		Additions (Note 30(a)) RM'000	Disposals RM'000	Write Off (Note 25) RM'000	Depreciation Charges (Note 25) RM'000	Exchange Differences RM'000	At 31.12.2023 RM'000
	RM'000	RM'000						
<b>2023</b>								
<i>Carrying Amount</i>								
Freehold land	26,265	-	-	-	-	-	-	26,265
Buildings	159,799	43	(1,088)	(2)	(5,363)	378	-	153,767
Other assets	5,100	934	(28)	-	(1,470)	88	-	4,624
Plant and machinery	31,189	1,060	-	(10)	(6,838)	-	-	25,401
Capital work-in-progress	57	-	-	-	-	-	-	57
	222,410	2,037	(1,116)	(12)	(13,671)	466	-	210,114
<b>2022</b>								
<i>Carrying Amount</i>								
Freehold land	26,265	-	-	-	-	-	-	26,265
Buildings	165,820	-	(4)	(1)	(6,281)	265	-	159,799
Other assets	6,855	1,955	(8)	(6)	(3,766)	70	-	5,100
Plant and machinery	42,375	1,129	(1)	(53)	(13,927)	-	-	31,189
Capital work-in-progress	1,723	-	-	-	-	-	-	57
	243,038	3,084	(13)	(60)	(23,974)	335	-	222,410

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>The Group</b>	<b>At Cost RM'000</b>	<b>Accumulated Depreciation RM'000</b>	<b>Accumulated Impairment Losses RM'000</b>	<b>Carrying Amount RM'000</b>
<b>2023</b>				
Freehold land	26,265	–	–	26,265
Buildings	277,789	(124,022)	–	153,767
Other assets	44,984	(40,360)	–	4,624
Plant and machinery	594,678	(555,777)	(13,500)	25,401
Capital work-in-progress	57	–	–	57
	943,773	(720,159)	(13,500)	210,114
<b>2022</b>				
Freehold land	26,265	–	–	26,265
Buildings	277,753	(117,954)	–	159,799
Other assets	46,863	(41,763)	–	5,100
Plant and machinery	596,060	(551,371)	(13,500)	31,189
Capital work-in-progress	57	–	–	57
	946,998	(711,088)	(13,500)	222,410

- (a) Other assets comprise office equipment, furniture, fixtures, computers, renovation and motor vehicles.
- (b) Certain buildings of the Group amounted to RM25,059,000 (2022 – Nil) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 19(a)(i) to the financial statements.
- (c) Certain freehold land and buildings of the Group amounted to RM34,145,000 (2022 – RM34,562,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 22(a) to the financial statements.
- (d) Property, plant and equipment are subject to negative pledge in relation to the banking facilities granted to the Group as disclosed in Note 22(b) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 7. RIGHT-OF-USE ASSETS

The Group	At 1.1.2023 RM'000	Additions (Note 30(a)) RM'000	Reassessment/ Modification of Lease Liabilities RM'000	Depreciation Charges (Note 25) RM'000	Exchange Differences RM'000	At 31.12.2023 RM'000
<i>Carrying Amount</i>						
Leasehold land	67,411	-	-	(2,490)	57	64,978
Hostel	28	-	110	(55)	-	83
Office	13	110	29	(110)	2	44
Showroom	1,316	-	-	(738)	53	631
Warehouse	1,129	-	446	(745)	32	862
Equipment	1,227	33	-	(794)	-	466
<b>The Group</b>	<b>71,124</b>	<b>143</b>	<b>585</b>	<b>(4,932)</b>	<b>144</b>	<b>67,064</b>
<b>2022</b>						
<i>Carrying Amount</i>						
Leasehold land	55,313	21,086	-	(2,826)	26	67,411
Hostel	84	-	-	(54)	(2)	28
Office	40	-	-	(27)	-	13
Showroom	274	1,377	304	(648)	9	1,316
Warehouse	850	882	349	(800)	(14)	1,129
Equipment	421	33	1,522	(748)	(1)	1,227
<b>The Group</b>	<b>56,982</b>	<b>23,378</b>	<b>(138)</b>	<b>(5,103)</b>	<b>18</b>	<b>71,124</b>

The Group	At 1.1.2022 RM'000	Additions (Note 30(a)) RM'000	Disposal RM'000	Derecognition Due to Lease Termination RM'000	Reassessment/ Modification of Lease Liabilities RM'000	Depreciation Charges (Note 25) RM'000	Exchange Differences RM'000	At 31.12.2022 RM'000
<i>Carrying Amount</i>								
Leasehold land	55,313	21,086	(6,188)	-	-	(2,826)	26	67,411
Hostel	84	-	-	-	-	(54)	(2)	28
Office	40	-	-	-	-	(27)	-	13
Showroom	274	1,377	-	-	304	(648)	9	1,316
Warehouse	850	882	-	(138)	349	(800)	(14)	1,129
Equipment	421	33	-	-	1,522	(748)	(1)	1,227
<b>The Group</b>	<b>56,982</b>	<b>23,378</b>	<b>(6,188)</b>	<b>(138)</b>	<b>2,175</b>	<b>(5,103)</b>	<b>18</b>	<b>71,124</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**7. RIGHT-OF-USE ASSETS (CONT'D)**

Analysed by:-	The Group	
	2023 RM'000	2022 RM'000
Cost	131,198	132,198
Accumulated depreciation	(58,734)	(55,674)
Accumulated impairment losses	(5,400)	(5,400)
	67,064	71,124

- (a) The Group leases various leasehold land, hostel, office, showroom, warehouse and equipment of which the leasing activities are summarised below:-
- (i) Leasehold land      The Group has entered into non-cancellable operating lease agreements for the use of land. The leases are for a period from 22 to 908 years.
  - (ii) Hostel, office, showroom and warehouse      The Group leased a number of hostel, office, showroom and warehouse that run between 1 and 3 (2022 – 2 and 3) years with an option to renew the lease after that date.
  - (iii) Equipment      The Group leased a number of equipment for a period from 1 to 2 (2022 – 1 to 2) years with no option to renew the lease after that date.
- (b) A leasehold land of the Group amounted to RM17,231,000 (2022 – Nil) has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 19(a)(i) to the financial statements.
- (c) Leasehold land is subject to negative pledge in relation to the banking facilities granted to the Group as disclosed in Note 22(b) to the financial statements.

**8. TRADE AND OTHER RECEIVABLES**

Non-current	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Other receivables</b>				
Sundry receivables	7	25	–	–
Deposits	204	189	–	–
	211	214	–	–
Total non-current other receivables, net	211	214	–	–

**NOTES TO THE FINANCIAL STATEMENTS**  
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(CONT'D)

**8. TRADE AND OTHER RECEIVABLES (CONT'D)**

Current	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Trade receivables</b>				
Third parties	74,412	63,687	–	–
Due from companies in which certain directors have financial interests:				
- Teobros Ceramica Sdn. Bhd.	13,819	15,908	–	–
- White Horse Ceramic Co., Ltd.	3,724	3,979	–	–
	91,955	83,574	–	–
Less: Allowance for impairment losses	(3,122)	(3,689)	–	–
Trade receivables, net	88,833	79,885	–	–
<b>Other receivables</b>				
Due from a subsidiary	–	–	1,991	2,486
Sundry receivables	2,673	2,436	5	–
Deposits	1,804	1,545	5	5
	4,477	3,981	2,001	2,491
Total current trade and other receivables	93,310	83,866	2,001	2,491
Allowance for impairment losses:-				
At 1 January	3,689	5,318	–	–
Reversal during the financial year (Note 24)	(314)	(1,510)	–	–
Write off during the financial year	(324)	(135)	–	–
Exchange differences	71	16	–	–
	3,122	3,689	–	–

- (a) The Group's trade credit terms range from 30 to 180 (2022 – 30 to 180) days. Other credit terms are assessed and approved on a case-by-case basis.
- (b) The non-trade balance of amount due from a subsidiary is non-interest bearing, unsecured and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**9. GOODWILL**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost:-		
At 1 January/31 December	677	677

The carrying amount of goodwill is allocated to the cash generating unit of White Horse Ceramic (S) Pte. Ltd.

**10. DEFERRED TAX (ASSETS)/LIABILITIES**

<b>The Group</b>	<b>At 1.1.2023 RM'000</b>	<b>Recognised in Profit or Loss (Note 27) RM'000</b>	<b>Exchange Differences RM'000</b>	<b>At 31.12.2023 RM'000</b>
<b>2023</b>				
<i>Deferred Tax Liability</i>				
Property, plant and equipment	3,499	(28)	10	3,481
<i>Deferred Tax Assets</i>				
Provisions and others	(2,763)	(1,100)	22	(3,841)
	736	(1,128)	32	(360)
<b>2022</b>				
<i>Deferred Tax Liability</i>				
Property, plant and equipment	3,448	42	9	3,499
<i>Deferred Tax Assets</i>				
Provisions and others	(3,231)	429	39	(2,763)
	217	471	48	736

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances for financial reporting purposes:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	(360)	(88)
Deferred tax liabilities	-	824
	(360)	736

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**11. INVENTORIES**

	<b>The Group</b>	
	<b>2023</b> <b>RM'000</b>	<b>2022</b> <b>RM'000</b>
At cost:-		
Raw materials	24,233	46,026
Work-in-progress	2,110	6,180
Finished goods	73,232	74,355
Consumable supplies	6,703	11,135
Goods-in-transit	3,588	9,793
	109,866	147,489
At net realisable value:-		
Raw materials	8,031	3,033
Work-in-progress	3,667	221
Finished goods	61,756	71,532
Consumable supplies	7,420	5,067
	80,874	79,853
	190,740	227,342
Recognised in profit or loss:-		
Inventories recognised as cost of sales	370,413	337,370
Reversal of inventories written down (Note 25)	(7,838)	(2,702)
Allowance for impairment losses:-		
At 1 January	45,778	48,338
Reversal during the financial year	(7,838)	(2,702)
Exchange differences	300	142
At 31 December	38,240	45,778

**12. OTHER CURRENT ASSETS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b> <b>RM'000</b>	<b>2022</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>	<b>2022</b> <b>RM'000</b>
Prepaid operating expenses	12,625	12,729	76	76
Advances to suppliers of raw materials	684	5,179	-	-
	13,309	17,908	76	76

The advances to suppliers of raw materials are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.



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**13. FIXED DEPOSITS WITH LICENSED BANKS**

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.60% to 5.80% (2022 – 2.44% to 6.50%) per annum and 2.70% (2022 – 2.45%) per annum respectively. The fixed deposits have maturity periods ranging from 8 to 180 (2022 – 15 to 180) days and 28 (2022 – 22) days for the Group and the Company respectively.

**14. CASH AND BANK BALANCES**

Bank balances of the Group amounting to RM237,000 (2022 – RM217,000) are held under trust by certain managerial staffs of the Group.

**15. SHARE CAPITAL**

	2023 (‘000)	The Group/The Company		2022 RM‘000
		2022 (‘000)	2023 RM‘000	
<b>Issued and Fully Paid-up</b>		<b>Number of Shares</b>		
Ordinary shares	240,000	240,000	246,936	246,936

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

**16. TREASURY SHARES**

Of the total 240,000,000 (2022 – 240,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 19,474,400 (2022 – 19,474,400) ordinary shares are held as treasury shares by the Company. None (2022 – None) of the treasury shares were resold or cancelled during the financial year.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

**17. FOREIGN CURRENCY TRANSLATION RESERVE**

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group’s presentation currency.

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**18. LEASE LIABILITIES**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	4,101	1,930
Additions (Note 30(a))	143	2,880
Interest expense recognised in profit or loss	185	179
Reassessment/Modification of lease liabilities	585	2,175
Derecognition due to lease termination	–	(142)
Repayment of principal	(2,780)	(2,754)
Repayment of interest expense	(185)	(179)
Exchange differences	104	12
	<hr/>	<hr/>
At 31 December	2,153	4,101
	<hr/>	<hr/>
Analysed by:-		
Current liabilities (Note 22)	1,673	2,485
Non-current liabilities (Note 21)	480	1,616
	<hr/>	<hr/>
	2,153	4,101
	<hr/>	<hr/>

**19. TERM LOAN**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Current liabilities (Note 22)	1,683	–
Non-current liabilities (Note 21)	15,120	–
	<hr/>	<hr/>
	16,803	–
	<hr/>	<hr/>

(a) The term loan is secured as follows:-

- (i) by a fixed charge over the Group's leasehold land and buildings as disclosed in Notes 7(b) and 6(b) to the financial statements; and
- (ii) by corporate guarantee of the Company.

(b) The interest rate profile of the term loan is summarised below:-

	<b>Effective Interest Rate per annum</b>	<b>2023</b>	<b>2022</b>
	%	<b>RM'000</b>	<b>RM'000</b>
Floating rate term loan	5.20	16,803	–
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**20. TRADE AND OTHER PAYABLES**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Accruals and sundry payables	290	245	-	-
<b>Total non-current other payables</b>	<b>290</b>	<b>245</b>	<b>-</b>	<b>-</b>
<b>Current</b>				
<b>Trade payables</b>				
Third parties	33,467	37,754	-	-
Due to companies in which certain directors have financial interests:				
- Teobros Ceramica Sdn. Bhd.	81	81	-	-
- White Horse Ceramic Co., Ltd.	1	2	-	-
	33,549	37,837	-	-
<b>Other payables</b>				
Due to a company in which certain directors have financial interests:				
- White Horse Ceramic Co., Ltd.	255	249	-	-
Accruals and sundry payables	24,672	23,320	140	136
Goods and services tax payable	332	195	-	-
Sales tax payable	5,350	3,896	-	-
	30,609	27,660	140	136
<b>Total current trade and other payables</b>	<b>64,158</b>	<b>65,497</b>	<b>140</b>	<b>136</b>

- (a) The normal trade credit terms granted to the Group range from 30 to 90 (2022 – 30 to 90) days.
- (b) The non-trade balance of amount due to a company in which certain directors have financial interests is non-interest bearing, unsecured and repayable on demand.

**21. LONG-TERM BORROWINGS**

	The Group	
	2023 RM'000	2022 RM'000
Lease liabilities (Note 18)	480	1,616
Term loan (Note 19)	15,120	-
	15,600	1,616

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
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### 22. SHORT-TERM BORROWINGS

	Effective Interest Rate per annum	The Group	
		2023 RM'000	2022 RM'000
Bankers' acceptances	5.24% (2022 – 5.17%)	38,417	48,607
Lease liabilities (Note 18)	6.52% (2022 – 5.66%)	1,673	2,485
Revolving credits	6.22% (2022 – 6.04%)	39,814	45,174
Term loan (Note 19)	5.20% (2022 – Nil)	1,683	–
		81,587	96,266

- (a) Certain revolving credits totalling RM34,814,000 (2022 – RM40,174,000) are secured by a first party legal charge over the Group's freehold land and buildings as disclosed in Note 6(c) to the financial statements.
- (b) The bankers' acceptances are secured against corporate guarantee by the Company and negative pledge of all assets of the Group.

### 23. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sales of goods	421,694	413,615	–	–
<b>Revenue from Other Source</b>				
Dividend income	–	–	–	2,500
	421,694	413,615	–	2,500

	The Group	
	2023 RM'000	2022 RM'000
<b>Type of goods</b>		
Sales of ceramic tiles	160,337	156,520
Sales of homogeneous tiles	238,123	236,408
Others	23,234	20,687
	421,694	413,615
<b>Represented by geographical markets</b>		
Malaysia	370,913	361,618
Others	50,781	51,997
	421,694	413,615

The other information on the disaggregation of revenue is disclosed in Note 33 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**24. NET REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

	The Group	
	2023 RM'000	2022 RM'000
Reversal of impairment losses:		
- trade receivables (Note 8)	(314)	(1,510)

**25. (LOSS)/PROFIT BEFORE TAXATION**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	198	190	60	60
- member firms of the auditors of the Company	32	33	-	-
- other auditors	77	73	-	-
- non-audit fees:				
- auditors of the Company	6	6	6	6
- member firms of the auditors of the Company	91	28	36	-
Bad debts (recovered)/written off	(2)	12	-	-
Depreciation:				
- property, plant and equipment (Note 6)	13,671	23,974	-	-
- right-of-use assets (Note 7)	4,932	5,103	-	-
Employees benefits expense (Note 26)	79,660	80,574	158	162
Reversal of inventories written down (Note 11)	(7,838)	(2,702)	-	-
Short-term leases	733	950	-	-
Property, plant and equipment written off (Note 6)	12	60	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	1,608	1,012	-	-
- revolving credits	2,689	2,030	-	-
- term loan	231	-	-	-
- lease liabilities	185	179	-	-
Gain on disposal of property, plant and equipment	(2,582)	(546)	-	-
Gain on disposal of right-of-use assets	-	(11,354)	-	-
Loss/(Gain) on foreign exchange:				
- realised	293	778	-	(461)
- unrealised	875	(1,184)	-	-
Effects of changes in lease termination	-	(4)	-	-
Total interest income on financial assets measured at amortised cost	(5,069)	(3,763)	(192)	(95)
Lease income:				
- property, plant and equipment	(721)	(650)	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**26. EMPLOYEES BENEFITS EXPENSE**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' non-fee emoluments (Note 31)	1,506	1,443	8	8
Directors' fees (Note 31)	790	910	150	150
EIS contributions	77	77	-	-
EPF contributions	6,064	6,250	-	-
Other staff related expenses	3,602	3,540	-	4
Salaries, wages and bonus	66,646	67,329	-	-
SOCSSO	975	1,025	-	-
	79,660	80,574	158	162

**27. INCOME TAX EXPENSE**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense:				
- current financial year	1,296	1,699	-	-
- under provision in the previous financial year	22	3,043	21	-
	1,318	4,742	21	-
- real property gains tax	-	993	-	-
	1,318	5,735	21	-
Deferred tax expense (Note 10):				
- origination and reversal of temporary differences	(1,128)	471	-	-
	190	6,206	21	-

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

**27. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit before taxation	(16,392)	6,998	(274)	2,634
Tax at the Malaysian statutory tax rate of 24% (2022 – 24%)	(3,934)	1,680	(66)	632
Tax effects of:-				
Non-taxable income	(529)	(3,768)	(46)	(733)
Non-deductible expenses	1,674	6,318	112	101
Deferred tax assets not recognised during the financial year	3,407	-	-	-
Effects of differential in tax rates of foreign subsidiaries	(391)	(192)	-	-
Real property gains tax	-	993	-	-
Utilisation of previously unrecognised business losses	-	(761)	-	-
Utilisation of deferred tax assets previously not recognised	-	(1,051)	-	-
Under provision of current tax expenses in the previous financial year	22	3,043	21	-
Others	(59)	(56)	-	-
Income tax expense for the financial year	190	6,206	21	-

Subject to agreement with the tax authorities, at the end of the reporting period, unabsorbed business losses, unutilised capital allowances and unutilised reinvestment allowances of the Group are as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Unabsorbed business losses		
- expires year of assessment 2023	-	11,512
- expires year of assessment 2024	15,810	15,810
- expires year of assessment 2025	10,172	10,172
- expires year of assessment 2028	5,602	5,602
- expires year of assessment 2029	14,269	14,269
- expires year of assessment 2030	10,646	10,646
- expires year of assessment 2031	7,476	7,476
- expires year of assessment 2032	5,989	5,989
- expires year of assessment 2033	8,691	-
	78,655	81,476
Unutilised capital allowances	42,232	32,240
Unutilised reinvestment allowances		
- expires year of assessment 2025	4,042	4,042
	124,929	117,758

**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. INCOME TAX EXPENSE (CONT'D)**

No deferred tax assets are recognised in respect of the following items:-

	The Group	
	2023 RM'000	2022 RM'000
Unabsorbed business losses	76,079	69,964
Unutilised capital allowances	2,743	2,388
Other temporary differences	30,983	23,258
	109,805	95,610

For the Malaysia entities, the unabsorbed business losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, the unutilised reinvestment allowances are allowed to be utilised for 7 consecutive years of assessment immediately following that year of assessment, while the unutilised capital allowances are allowed to be carried forward indefinitely.

The use of unabsorbed business losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

**28. (LOSS)/EARNINGS PER SHARE**

**(a) Basic (Loss)/Earnings Per Share**

The basic (loss)/earnings per share is calculated by dividing the consolidated (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue after adjusting for treasury shares during the financial year.

	The Group	
	2023	2022
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(16,582)	792
Weighted average number of ordinary shares in issue ('000)	220,526	220,526
Basic (loss)/earnings per share (sen)	(7.5)	0.4

**(b) Diluted (Loss)/Earnings Per Share**

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because there were no potential ordinary shares as at the end of the reporting period.



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**29. DIVIDEND**

	<b>The Group/The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Tax-exempt final dividend of 3 sen per ordinary share	–	6,616

**30. CASH FLOW INFORMATION**

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, Plant and Equipment</b>		
Cost of property, plant and equipment purchased (Note 6)	2,037	3,084
<b>Right-of-use Assets</b>		
Cost of right-of-use assets acquired (Note 7)	143	23,378
Less: Additions of new lease liabilities (Notes 18 and 30(b))	(143)	(2,880)
Less: Deposit paid in previous financial year	–	(5,098)
	–	15,400

**NOTES TO THE FINANCIAL STATEMENTS**  
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(CONT'D)

**30. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:-

<b>The Group</b>	<b>Bankers' Acceptances RM'000</b>	<b>Revolving Credits RM'000</b>	<b>Term Loan RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Due to a company in which certain directors have financial interests RM'000</b>	<b>Total RM'000</b>
<b>2023</b>						
At 1 January	48,607	45,174	-	4,101	249	98,131
<u>Changes in Financing Cash Flows</u>						
Net advances from a company in which certain directors have financial interests	-	-	-	-	3	3
Net proceeds from drawdown	-	-	17,000	-	-	17,000
Net repayment of borrowing principal	(11,122)	(6,060)	(197)	(2,780)	-	(20,159)
Repayment of borrowing interests	(1,608)	(2,689)	(231)	(185)	-	(4,713)
	(12,730)	(8,749)	16,572	(2,965)	3	(7,869)
<u>Other Changes</u>						
Acquisition of new lease (Note 30(a))	-	-	-	143	-	143
Interest expense recognised in profit or loss (Note 25)	1,608	2,689	231	185	-	4,713
Reassessment/Modification of lease liabilities	-	-	-	585	-	585
Unrealised foreign exchange loss	932	700	-	-	3	1,635
Exchange differences	-	-	-	104	-	104
	2,540	3,389	231	1,017	3	7,180
At 31 December	38,417	39,814	16,803	2,153	255	97,442

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(CONT'D)

**30. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

<b>The Group</b>	<b>Bankers' Acceptances RM'000</b>	<b>Revolving Credits RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Due to companies in which certain directors have financial interests RM'000</b>	<b>Total RM'000</b>
<b>2022</b>					
At 1 January	10,673	58,335	1,930	16,660	87,598
<u>Changes in Financing Cash Flows</u>					
Net repayment to companies in which certain directors have financial interests	-	-	-	(16,402)	(16,402)
Net proceeds from drawdown	39,008	-	-	-	39,008
Net repayment of borrowing principal	-	(14,035)	(2,754)	-	(16,789)
Repayment of borrowing interests	(1,012)	(2,030)	(179)	-	(3,221)
	37,996	(16,065)	(2,933)	(16,402)	2,596
<u>Other Changes</u>					
Acquisition of new lease (Note 30(a))	-	-	2,880	-	2,880
Derecognition due to lease termination	-	-	(142)	-	(142)
Interest expense recognised in profit or loss (Note 25)	1,012	2,030	179	-	3,221
Reassessment/ Modification of lease liabilities	-	-	2,175	-	2,175
Unrealised foreign exchange (gain)/loss	(1,074)	874	-	(9)	(209)
Exchange differences	-	-	12	-	12
	(62)	2,904	5,104	(9)	7,937
At 31 December	48,607	45,174	4,101	249	98,131

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

<b>The Company</b>	<b>Due to a company in which certain directors have financial interests</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	–	16,660
<b>Changes in Financing Cash Flows</b>		
Net repayment to a company in which certain directors have financial interests	–	(16,660)
At 31 December	–	–

(c) The total cash outflows for leases as a lessee are as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Payment of short-term leases	733	950
Interest paid on lease liabilities	185	179
Payment of lease liabilities	2,780	2,754
	3,698	3,883

(d) The cash and cash equivalents comprise the following:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Cash and bank balances	60,856	44,543	242	244
Fixed deposits with licensed banks	110,524	93,840	7,800	7,600
	171,380	138,383	8,042	7,844
Less: Fixed deposits with tenure of more than 3 months	(68,663)	(61,440)	–	–
	102,717	76,943	8,042	7,844

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### 31. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company comprise of executive directors and non-executive directors who are the executive directors of the subsidiaries.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Directors of the Company:</b>				
<u>Executive:</u>				
Salaries, bonus and other emoluments	726	699	-	-
Fees	240	280	-	-
Defined contribution benefits	43	53	-	-
<hr/>				
Total executive directors' remuneration excluding benefits-in-kind	1,009	1,032	-	-
Benefits-in-kind	23	39	-	-
<hr/>				
	1,032	1,071	-	-
<hr/>				
<u>Non-executive:</u>				
Salaries, bonus and other emoluments	678	633	8	8
Fees	470	510	150	150
Defined contribution benefits	59	58	-	-
<hr/>				
Total non-executive directors' remuneration excluding benefits-in-kind #	1,207	1,201	158	158
Benefits-in-kind	7	14	-	-
<hr/>				
	1,214	1,215	158	158
<hr/>				
<b>Director of the Subsidiary:</b>				
Fees	80	120	-	-
Benefits-in-kind	1	-	-	-
<hr/>				
	81	120	-	-
<hr/>				
Total directors' remuneration excluding benefits-in-kind (Note 26)	2,296	2,353	158	158

# This includes remuneration of RM1,207,000 (2022 – RM1,201,000) paid to non-executive directors of the Company, who are executive directors of the subsidiaries.

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(CONT'D)

**31. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

The number of directors of the Group whose total remuneration during the year fall within the following bands are analysed below:

The Group	2023 Number of Directors			2022 Number of Directors		
	Executive	Non-executive	Director of the Subsidiary	Executive	Non-executive	Director of the Subsidiary
Below RM50,000	-	-	-	1	1	-
RM50,001 – RM100,000	-	3	1	-	3	-
RM100,001 – RM150,000	-	-	-	-	-	1
RM200,001 – RM250,000	-	1	-	-	1	-
RM250,001 – RM300,000	1	3	-	1	3	-
RM350,001 – RM400,000	2	-	-	2	-	-
	3	7	1	4	8	1

**32. RELATED PARTY DISCLOSURES**

**(a) Subsidiaries**

The subsidiaries are as disclosed in Note 5 to the financial statements.

**(b) Significant Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Subsidiary</b>				
Dividend received	-	-	-	(2,500)
<b>Companies in which certain directors have financial interests</b>				
Sales of goods to:				
- Teobros Ceramica Sdn. Bhd.	(17,563)	(18,172)	-	-
- White Horse Ceramic Co., Ltd.	(7,356)	(9,078)	-	-
Sales of raw materials, consumable supplies and products to White Horse Ceramic Co., Ltd.	(897)	(1,008)	-	-
Purchases of goods from:				
- Teobros Ceramica Sdn. Bhd.	-	91	-	-
- White Horse Ceramic Co., Ltd.	-	53	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

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### 33. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their geographical areas, and has three reportable operating segments as below:

Malaysia : The Malaysia segment includes manufacturing and distribution of ceramic and homogeneous tiles in Malaysia, as well as related support services activities incidental to transportation.

Vietnam : The Vietnam segment includes distribution of ceramic and homogeneous tiles in Vietnam.

Others : The other segments include distribution of ceramic and homogeneous tiles in Indonesia, Philippines, Singapore, Thailand and China.

- (a) The Executive Directors assess the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

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**33. OPERATING SEGMENTS (CONT'D)**

**33.1 GEOGRAPHICAL SEGMENTS**

<b>2023</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Others RM'000</b>	<b>The Group RM'000</b>
<b>Revenue</b>				
External revenue	370,913	1,105	49,676	421,694
Inter-segment revenue	11,055	–	1,511	12,566
	381,968	1,105	51,187	434,260
Consolidation adjustments				(12,566)
Consolidated revenue				421,694
Represented by:-				
<u>Revenue from contracts with customers</u>				
Sales of goods	381,968	1,105	51,187	434,260
Consolidation adjustments				(12,566)
				421,694
<b>Results</b>				
Segment (loss)/profit	(19,485)	4,258	3,548	(11,679)
Finance costs				(4,713)
Consolidated loss before taxation				(16,392)
Segment (loss)/profit includes the followings:-				
Interest income	(1,413)	(3,634)	(22)	(5,069)
Interest expenses	4,623	5	85	4,713
Depreciation	15,750	200	2,653	18,603
Reversal of inventories written down	(6,670)	(35)	(1,133)	(7,838)
Net reversal of impairment losses on financial assets	(199)	–	(115)	(314)
Unrealised foreign exchange loss/ (gain)	1,047	(170)	(2)	875



**NOTES TO THE FINANCIAL STATEMENTS**  
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**33. OPERATING SEGMENTS (CONT'D)**

**33.1 GEOGRAPHICAL SEGMENTS (CONT'D)**

<b>2023</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Others RM'000</b>	<b>The Group RM'000</b>
<b>Assets</b>				
Segment assets	614,109	77,890	55,275	747,274
Unallocated assets:				
- current tax assets				1,203
- deferred tax assets				360
Consolidated total assets				<u>748,837</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-				
Property, plant and equipment	1,883	-	154	2,037
Right-of-use assets	-	110	33	143
<b>Liabilities</b>				
Segment liabilities	(157,249)	(542)	(4,788)	(162,579)
Unallocated liabilities:				
- current tax liabilities				(1,024)
Consolidated total liabilities				<u>(163,603)</u>

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**33. OPERATING SEGMENTS (CONT'D)**

**33.1 GEOGRAPHICAL SEGMENTS (CONT'D)**

<b>2022</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Others RM'000</b>	<b>The Group RM'000</b>
<b>Revenue</b>				
External revenue	361,618	4,110	47,887	413,615
Inter-segment revenue	9,070	1,148	2,828	13,046
	<u>370,688</u>	<u>5,258</u>	<u>50,715</u>	<u>426,661</u>
Consolidation adjustments				(13,046)
Consolidated revenue				<u>413,615</u>
Represented by:-				
<u>Revenue from contracts with customers</u>				
Sales of goods	370,688	5,258	50,715	426,661
Consolidation adjustments				(13,046)
				<u>413,615</u>
<b>Results</b>				
Segment profit/(loss)	9,383	1,278	(442)	10,219
Finance costs				(3,221)
Consolidated profit before taxation				<u>6,998</u>
Segment profit/(loss) includes the followings:-				
Interest income	(1,176)	(2,519)	(68)	(3,763)
Interest expenses	3,126	3	92	3,221
Depreciation	25,292	186	3,599	29,077
Inventories written down/(Reversal of inventories written down)	411	(2,690)	(423)	(2,702)
Net (reversal of impairment losses)/ impairment losses on financial assets	(2,318)	-	808	(1,510)
Unrealised foreign exchange (gain)/ loss	(1,469)	305	(20)	(1,184)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**33. OPERATING SEGMENTS (CONT'D)**

**33.1 GEOGRAPHICAL SEGMENTS (CONT'D)**

<b>2022</b>	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Others RM'000</b>	<b>The Group RM'000</b>
<b>Assets</b>				
Segment assets	633,485	72,987	56,112	762,584
Unallocated assets:				
- current tax assets				830
- deferred tax assets				88
Consolidated total assets				<u>763,502</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-				
Property, plant and equipment	3,069	-	15	3,084
Right-of-use assets	20,494	-	2,884	23,378
<b>Liabilities</b>				
Segment liabilities	(156,219)	(1,855)	(6,702)	(164,776)
Unallocated liabilities:				
- deferred tax liabilities				(824)
- current tax liabilities				(755)
Consolidated total liabilities				<u>(166,355)</u>

**33.2 MAJOR CUSTOMERS**

There is no single customer that contributed 10% or more to the Group's revenue.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
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### 34. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

###### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

<i>Foreign Currency Exposure</i>	<b>Net Financial Assets/(Liabilities) Held in Non-Functional Currencies</b>		
	<b>United States Dollar RM'000</b>	<b>Euro RM'000</b>	<b>Total RM'000</b>
<b>The Group</b>			
<b>2023</b>			
Functional Currencies			
Ringgit Malaysia ("RM")	(12,106)	(2,747)	(14,853)
Vietnamese Dong ("VND")	6,841	-	6,841
Currency exposure	(5,265)	(2,747)	(8,012)
<b>2022</b>			
Functional Currencies			
Ringgit Malaysia ("RM")	(31,897)	(5,027)	(36,924)
Vietnamese Dong ("VND")	6,462	-	6,462
Currency exposure	(25,435)	(5,027)	(30,462)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

Effects on (Loss)/Profit After Taxation	The Group	
	2023 RM'000	2022 RM'000
USD/RM – strengthened by 10% (2022 – 10%)	-920	-2,424
– weakened by 10% (2022 – 10%)	+920	+2,424
Euro/RM – strengthened by 10% (2022 – 10%)	-209	-382
– weakened by 10% (2022 – 10%)	+209	+382
USD/VND – strengthened by 10% (2022 – 10%)	+520	+491
– weakened by 10% (2022 – 10%)	-520	-491

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 19 and 22 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

(ii) Interest Rate Risk (Cont'd)

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

Effects on (Loss)/Profit After Taxation	The Group	
	2023 RM'000	2022 RM'000
Increase of 50 basis points (2022 – 50 basis points)	-298	-202
Decrease of 50 basis points (2022 – 50 basis points)	+298	+202

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

**(b) Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to serve its loans on an individual basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
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(CONT'D)

**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(b) Credit Risk (Cont'd)**

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 1 (2022 – 1) customer which constituted approximately 15% (2022 – 19%) of its trade receivables (including related parties) at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Malaysia	76,313	64,534
Singapore	3,825	3,440
Taiwan	3,724	3,974
Philippines	3,010	5,539
Others	1,961	2,398
	88,833	79,885

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiary of RM119,797,000 (2022 – RM117,865,000), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 150 days past due.

##### Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months (2022 – 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP) and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.



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(CONT'D)

**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

*Allowance for Impairment Losses*

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
<b>2023</b>				
Current (not past due)	66,107	–	(336)	65,771
1 to 30 days past due	16,825	–	(177)	16,648
31 to 60 days past due	3,865	–	(80)	3,785
61 to 90 days past due	1,787	–	(15)	1,772
91 to 120 days past due	690	–	(55)	635
121 to 150 days past due	544	–	(322)	222
More than 150 days past due	1,384	–	(1,384)	–
Credit impaired	753	(753)	–	–
	91,955	(753)	(2,369)	88,833
<b>2022</b>				
Current (not past due)	41,570	–	(214)	41,356
1 to 30 days past due	19,815	–	(219)	19,596
31 to 60 days past due	11,914	–	(221)	11,693
61 to 90 days past due	3,797	–	(188)	3,609
91 to 120 days past due	3,138	–	(167)	2,971
121 to 150 days past due	715	–	(55)	660
More than 150 days past due	1,586	–	(1,586)	–
Credit impaired	1,039	(1,039)	–	–
	83,574	(1,039)	(2,650)	79,885

The movement in the loss allowances in respect of trade receivables are disclosed in Note 8 to the financial statements.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

###### Amount Owing by Related Companies (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to related companies have low credit risks. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the related company does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the related company.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

###### *Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the amount owing is not recoverable other than those which had already impaired in the previous financial year.

###### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts (Cont'd)

*Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

**(c) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
<b>2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	6.52	2,153	2,500	1,977	523	-
Bankers' acceptances	5.24	38,417	38,417	38,417	-	-
Revolving credits	6.22	39,814	39,814	39,814	-	-
Term loan	5.20	16,803	25,263	2,569	10,277	12,417
Trade and other payables	-	58,766	58,766	58,766	-	-
		155,953	164,760	141,543	10,800	12,417

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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000
<b>2022</b>					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Lease liabilities	5.66	4,101	4,223	2,517	1,706
Bankers' acceptances	5.17	48,607	48,607	48,607	–
Revolving credits	6.04	45,174	45,174	45,174	–
Trade and other payables	–	61,651	61,651	61,651	–
		159,533	159,655	157,949	1,706

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
<b>2023</b>				
<u>Non-derivative Financial</u>				
<u>Liabilities</u>				
Trade and other payables	–	140	140	140
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	–	119,797	119,797
		140	119,937	119,937

**NOTES TO THE FINANCIAL STATEMENTS**  
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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
<b>2022</b>				
<u>Non-derivative Financial Liabilities</u>				
Trade and other payables	–	136	136	136
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	–	117,865	117,865
		136	118,001	118,001

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

**34.2 CAPITAL RISK MANAGEMENT**

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

There were no changes in the approach to capital management during the financial year.

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**34. FINANCIAL INSTRUMENTS (CONT'D)**

**34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Trade and other receivables (Note 8)	91,513	82,346	1,996	2,486
Fixed deposits with licensed banks (Note 13)	110,524	93,840	7,800	7,600
Cash and bank balances (Note 14)	60,856	44,543	242	244
	262,893	220,729	10,038	10,330
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Lease liabilities (Note 18)	2,153	4,101	–	–
Bankers' acceptances (Note 22)	38,417	48,607	–	–
Revolving credits (Note 22)	39,814	45,174	–	–
Term loan (Note 19)	16,803	–	–	–
Trade and other payables (Note 20)	58,766	61,651	140	136
	155,953	159,533	140	136

**34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	5,673	6,023	192	556
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(6,167)	(3,577)	–	–

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair value of term loan that carries floating interest rates approximated its carrying amount as it is repriced to market interest rates on or near the reporting date.

### 35. CAPITAL COMMITMENTS

	The Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	-	151

### 36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000
Statements of Financial Position (Extract):-				
Fixed deposits with licensed banks	86,240	93,840	-	7,600
Cash and bank balances	52,143	44,543	7,844	244

# LIST OF LANDED PROPERTIES

AS AT 31 DECEMBER, 2023

Location	Address	Description	Existing Use	Tenure	Approximate Age of Building (years)	Land & Built-up Area (sq meter)	Date of Acquisition/ (Extension)	2023 Carrying Amount (RM)
Lot PTD 156654, HS(D) 309464 Mukim of Plentong, District of Johor Bahru, Johor	PLO 464, Jalan Gangsa, Pasir Gudang Industrial Estate, 81700 Pasir Gudang Johor	Industrial building and a block of 5 Storey corporate office with basement	Owner occupied	An additional 30 years lease from 4th July, 2022 to 3rd July, 2052 from the landowner - Johor Corporation	27	83,079 & 64,425	01-Oct-91 (09-Sep-22)	42,289,498
Lot PTD 2860, HS(D) 367647 Mukim of Sungai Tiram, District of Johor Bahru, Johor	PLO 29, Tanjung Langsat Industrial Complex, 81700 Pasir Gudang, Johor	Industrial building	Owner occupied	Leasehold 60 years expiring on 08/02/2064	22	129,624 & 92,047	01-Sep-00	55,039,852
Lot PTD 4068, HS(D) 491784 Mukim of Sungai Tiram, District of Johor Bahru, Johor	PLO 132, Tanjung Langsat Industrial Complex, 81700 Pasir Gudang, Johor	Industrial building	Owner occupied	Leasehold 60 years expiring on 10/01/2071	13	117,055 & 27,090	24-Nov-09	27,994,088
Lot PTD 119781, HS(D) 247731, Mukim of Plentong, District of Johor Bahru, Johor	PLO 453, Jalan Keluli 3, Pasir Gudang Industrial Estate, 81700 Pasir Gudang Johor	Single storey warehouse and annexed with double storey office	Owner occupied	Lease from Johor Corporation 30 years expiring on 30/12/2026 with option for further extension of 30 years	26	24,280 & 14,295	01-May-95	6,052,452
Lot PTD 163211, HS(D) 334414, Mukim of Plentong, District of Johor Bahru, Johor	PLO 496, Jalan Keluli 3, Pasir Gudang Industrial Estate, 81700 Pasir Gudang Johor	Single storey warehouse	Owner occupied	Leasehold 30 years expiring on 21/06/2030 with option for further extension of 30 years	23	25,490 & 14,605	01-Sep-00	6,855,259
Lot PTD 194277, HS(D) 442429, Mukim of Plentong, District of Johor Bahru, Johor	PLO 728, Jalan Keluli 3, Pasir Gudang Industrial Estate, 81700 Pasir Gudang Johor	Single storey warehouse and annexed with double storey office	Owner occupied	Leasehold 60 years expiring on 19/03/2067	18	20,488 & 13,413	30-Sep-07	7,863,015



## LIST OF LANDED PROPERTIES

AS AT 31 DECEMBER, 2023  
(CONT'D)

Location	Address	Description	Existing Use	Tenure	Approximate Age of Building (years)	Land & Built-up Area (sq meter)	Date of Acquisition/ (Extension)	2023 Carrying Amount (RM)
Lot PTD 110338, HS(D) 216827, Mukim of Plentong, District of Johor Bahru, Johor	Block 7, Jalan Cendana 2, Taman Cendana, 81700 Pasir Gudang, Johor	A block of 5 storey medium cost flat with 38 units apartments	Owner occupied	Leasehold 99 years expiring on 28/04/2093	27	3,600 & 2,531	31-Mar-97	1,516,794
HS(D) 135082 & 135083 PTD 71022 & 71023 Mukim Plentong District of Johor Bahru, Johor	Block 69 & 68 Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang, Johor	A block of 5 storey medium cost flat with 35 units apartments	Owner occupied	Leasehold 99 years expiring on 02/11/2085	37	2,678 & 2,230	31-Jan-07	2,163,827
Lot PTD 3613, HS(D) 375496 Mukim of Sungai Tiram, District of Johor Bahru, Johor	PLO 39, Tanjung Langsung Industrial Complex, 81700 Pasir Gudang, Johor	Industrial land	Owner occupied	Leasehold 60 years expiring on 09/09/2064	22	4,468 & 0	01-Jul-02	431,121
Lot PTD 3612, HS(D) 375495 Mukim of Sungai Tiram, District of Johor Bahru, Johor	PLO 33, Tanjung Langsung Industrial Complex, 81700 Pasir Gudang, Johor	Natural gas service station	Owner occupied	Leasehold 60 years expiring on 09/09/2064	22	400 & 0	01-Sep-01	48,988
GRN 459987 LOT 90523 Mukim of Plentong District of Johor Bahru	No. 2, Jalan Mutiara 2, Taman Perindustrian Plentong, 81750 Plentong, Johor	2 storey warehouse and showroom with 3-storey office	Owner occupied	Freehold	10	9,528 & 14,501	30-Sep-14	34,145,210
Lot P.T.No:17306, HS(M) 10066, Mukim of Batu, District of Gombak, Selangor	No. 1, Jalan Persiaran Satu, Bandar Baru Selayang, 68100 Batu Caves, Selangor	Single storey warehouse and annexed with three storey office	Owner occupied	Leasehold 99 years expiring on 22/12/2085	26	12,550 & 7,884	01-Jul-95	11,026,997
GM 975 Lot 2737 Mukim Klang, Daerah Klang	Lot 2737, Jalan Nong / KS2, Taman Perindustrian Sg, Jati 41200 Klang, Selangor	Single storey warehouse and annexed with double storey office	Owner occupied	Freehold	16	12,014 & 8,628	24-Mar-05	11,870,441

## LIST OF LANDED PROPERTIES

AS AT 31 DECEMBER, 2023

(CONT'D)

Location	Address	Description	Existing Use	Tenure	Approximate Age of Building (years)	Land & Built-up Area (sq meter)	Date of Acquisition/ (Extension)	2023 Carrying Amount (RM)
No. Hakmilik 308892 (Lot No:67890, HS(D) KA 1257/76) Mukim Ulu Kinta, District of Kinta, Perak	Plot 76, Persiaran Portland, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak	Single storey warehouse and annexed with double storey office	Owner occupied	Leasehold 99 years expiring on 31/10/2075	22	4,065 & 2,717	28-Feb-02	1,861,916
PN 2918, Lot 68293, Mukim Ulu Kinta, District of Kinta, Perak	Plot 81, Persiaran Portland, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak	Vacant Land for Industrial Building	Owner occupied	Leasehold 99 years expiring on 01/09/2075	48	4,065	31-Jan-11	903,168
Mukim 63 Lot 1214 Mukim Mergung, Daerah Kota Setar	No 202 Kaw Perusahaan Mergong II, Lorong Perak 8 05150 Alor Setar, Kedah	7 units of 2 storey and 2 units of warehouse	Owner occupied	Leasehold 60 years expiring on 29/12/2037	46	5,727	31-Jul-07	2,213,101
HS(M) 460 PT 4526, Mukim 01, Seberang Perai Tengah Pulau Pinang	No 3088 Jalan Kelisa Emas 1, Seberang Jaya, 13700 Perai, Pulau Pinang	Single storey warehouse and annexed with double storey office	Owner occupied	Freehold	18	7,778 & 8,894	01-Mar-06	15,452,603
Lot 55, HS(D) 1456, PTD 8754, Mukim of Kuala Kuantan, Pahang	Lot 55, Semambu Industrial Estate, 25350 Kuantan, Pahang	Single storey warehouse and annexed with double storey office	Owner occupied	Leasehold 66 years expiring on 02/03/2043	44	4,480 & 1,583	30-Sep-98	944,045
HS(D) 3087, PTD 2404, Mukim Simpang Kanan, Batu Pahat, Johor	104, Jalan Jelawat, Taman Banang, 83000 Batu Pahat, Johor	Single Storey Shophouse	Owner occupied	Freehold	52	164	14-Feb-11	272,942
No Hakmilik: 5897 Lot 53339 Seksyen 14, (HS(M) 11473, LOT 5644), Mukim Kajang, Daerah Hulu Langat, Selangor	No Hakmilik: 5897 Lot 53339 Seksyen 14, (HS(M) 11473, LOT 5644), Mukim Kajang, Daerah Hulu Langat, Selangor	Vacant Land	Owner occupied	Leasehold 60 years expiring on 23/07/2029 (Extension of 99 years expiring on 23 July 2121)	54	15,517	30-Sep-14 (14-Jul-22)	3,084,514

**LIST OF LANDED PROPERTIES**AS AT 31 DECEMBER, 2023  
(CONT'D)

Location	Address	Description	Existing Use	Tenure	Approximate Age of Building (years)	Land & Built-up Area (sq meter)	Date of Acquisition/ (Extension)	2023 Carrying Amount (RM)
Country Lease No. 015364646 Mile 10, Tuaran Road, District of Kota Kinabalu, Sabah	Mile 10, Tuaran Road, in the District of Kota Kinabalu, Sabah	Vacant Land	Owner occupied	Leasehold 999 years expiring on 09/01/2923	100	9,834	31-Jul-15	8,433,536
No 7525 Tambol, Bang Pleeyai, Amphur, Bangplee, Samutprakam, Bangkok, Thailand	Bangna Tart Road KM 11, Bangplee, Samutprakam, Bangkok, Thailand	Single storey warehouse and annexed with double storey office	Owner occupied	Leasehold 22 years expiring on 24/01/2027	19	9,600 & 8,242	13-Jan-05	1,939,331
<b>Total :</b>								<b>242,402,698</b>

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total number of issued shares (inclusive of treasury shares)	:	240,000,000 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Treasury shares held as at 29 March 2024	:	19,474,400 ordinary shares

## 1. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	16	0.84	327	0.00
100 - 1,000	243	12.83	172,461	0.08
1,001 - 10,000	1,260	66.53	4,448,312	2.02
10,001 - 100,000	271	14.31	8,301,600	3.76
100,001 - 11,026,279 (less than 5% of issued shares)	100	5.28	162,012,930	73.47
11,026,280 and above (5% and above of issued shares)	4	0.21	45,589,970	20.67
	1,894	100.00	220,525,600	100.00

## 2. DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings of White Horse Berhad based on the Register of Directors' Shareholdings are as follows:-

Total number of issued shares (exclusive of treasury shares) = 220,525,600

No.		Direct	%	No. of Ordinary Shares Held Indirect	%
1.	Liao Shen Hua	3,737,824	1.69	8,500,000 <sup>(1)</sup>	3.85
2.	Liao Shen Yao	3,306,897	1.50	8,340,000 <sup>(2)</sup>	3.78
3.	Teo Swee Teng	11,073,593	5.02	1,843,000 <sup>(3)</sup>	0.84
4.	Teo Kim Lap	11,083,027	5.03	1,300,000 <sup>(4)</sup>	0.59
5.	Teo Kim Tay	12,409,015	5.63	–	–
6.	Cheng Soon Mong	4,877,735	2.21	1,193,004 <sup>(5)</sup>	0.54
7.	Rosita Yeo Swat Geok	–	–	–	–
8.	Lau Lee Jan	–	–	–	–
9.	Tai Lam Shin	–	–	–	–
10.	Liao, Hung-Chang	8,391,430	3.81	4,534,896 <sup>(6)</sup>	2.06

**ANALYSIS OF SHAREHOLDINGS**AS AT 29 MARCH 2024  
(CONT'D)**3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The substantial shareholders' shareholdings of White Horse Berhad based on the Register of Substantial Shareholders of the Company are as follows:-

No.		Direct	No. of Ordinary Shares Held		%
			%	Indirect	
1.	Liao Shen Hua	3,737,824	1.69	8,500,000 <sup>(1)</sup>	3.85
2.	Teo Kim Tay	12,409,015	5.63	–	–
3.	Liao Shen Yao	3,306,897	1.50	8,340,000 <sup>(2)</sup>	3.78
4.	Teo Swee Teng	11,073,593	5.02	1,843,000 <sup>(3)</sup>	0.84
5.	Teo Boon Hoo	11,663,335	5.29	–	–
6.	Teo Kim Lap	11,083,027	5.03	1,300,000 <sup>(4)</sup>	0.59
7.	Liao, Hung-Chang	8,391,430	3.81	4,534,896 <sup>(6)</sup>	2.06

Notes:

- (1) Deemed interested through his son, Liao Kuan Yung, and his daughters, Liao Wan Yu and Liao Tzu Chi
- (2) Deemed interested through his sons, Liao Chun Hao and Liao Chih Hao
- (3) Deemed interested through his wife, Ku Kuan and his sons, Teo Wei Kee and Teo Wei Siong and his daughter, Teo Wei Chin
- (4) Deemed interested through his wife, Ong Yock Hong and his son, Teo Rhen Gie and his daughters, Teo Sin Rhu, Teo Sin Yee and Teo Hui Yee
- (5) Deemed interested through his sons, Cheng Hang Huat and Cheng Hang Keat and his daughter, Cheng Swee Chin
- (6) Deemed interested by virtue of his direct interest in Ding Qiao Investment Co., Ltd. and Ding Ya Investment Co., Ltd.

**4. LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS**

No.	Names	Shareholdings	%
1.	TEO KIM TAY	12,409,015	5.63
2.	TEO SWEE TENG	11,073,593	5.02
3.	TEO BOON HOO	11,058,835	5.01
4.	TEO KIM LAP	11,048,527	5.01
5.	LIM PEI TIAM @ LIAM AHAT KIAT	10,300,000	4.67
6.	LIAO HUNG CHANG	8,391,430	3.81
7.	LIAO CHIA FENG	8,173,431	3.71
8.	LIAO CHUNG YI	5,448,954	2.47
9.	CHENG SOON MONG	4,877,735	2.21
10.	LIAO, SHEN-CHUN	4,790,609	2.17

## ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024  
(CONT'D)

### 4. LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Names	Shareholdings	%
11.	CHEN, YU-JU	4,579,400	2.08
12.	LIAO CHIA NING	4,448,953	2.02
13.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	4,390,870	1.99
14.	LIAO, CHIH-HAO	4,170,000	1.89
15.	LIAO, CHUN-HAO	4,170,000	1.89
16.	BAO SHUN INVESTMENT CO., LTD.	4,157,710	1.89
17.	YUNG SHENG INVESTMENT CO., LTD.	4,028,732	1.83
18.	LIAO, SHEN-HUA	3,737,824	1.69
19.	CHEN, TSUI-LING	3,579,400	1.62
20.	ZHI DING INVESTMENT CO., LTD.	3,509,732	1.59
21.	CHEN, HEN-JUI	3,375,937	1.53
22.	CHEN, YU-CHING	3,375,900	1.53
23.	LIAO, SHEN-YAO	3,306,897	1.50
24.	LIAO, CHIEH-TING	3,140,000	1.42
25.	LIAO, YEN-JEN	3,140,000	1.42
26.	LIAO KUAN YUNG	3,000,000	1.36
27.	LIAO WAN YU	3,000,000	1.36
28.	MING CHEN INVESTMENT CO., LTD.	2,909,375	1.32
29.	SHIH, CHI-FONG	2,861,500	1.30
30.	SHIH, CHIH-CHE	2,861,500	1.30
		159,315,859	72.24

Note :-

The analysis of shareholdings is based on the total number of issued shares of the Company as at 29 March 2024 after deducting 19,474,400 ordinary shares bought back by the Company and held as Treasury Shares as at 29 March 2024.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Sixth Annual General Meeting of WHITE HORSE BERHAD will be held on a virtual basis via Remote Participation and Voting at the broadcast venue at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 28 May 2024 at 3:00 p.m. for the following purposes:-

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors' fees amounting to RM150,000/- for the financial year ended 31 December 2023. *(Ordinary Resolution 1)*
3. To approve the payment of benefits payable to the Non-Executive Directors up to an amount of RM180,000/- for the period from 29 May 2024 to the Twenty-Seventh Annual General Meeting of the Company in year 2025 pursuant to Section 230(1) (b) of the Companies Act 2016. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring pursuant to Clause 123 of the Company's Constitution and being eligible, have offered themselves for re-election:-
  - (i) Mr. Liao Shen Hua; *(Ordinary Resolution 3)*
  - (ii) Mr. Teo Swee Teng; and *(Ordinary Resolution 4)*
  - (iii) Mr. Teo Kim Lap. *(Ordinary Resolution 5)*
5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

### Special Business

To consider and if thought fit, with or without any modification, to pass the following as Ordinary Resolutions:-

6. **ORDINARY RESOLUTION NO. 1** *(Ordinary Resolution 7)*
  - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

**"THAT** subject always to the Companies Act 2016, the Constitution of the Company and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to the Companies Act 2016, to issue and allot shares of the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding Treasury Shares) for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

## NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

**THAT** in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 58 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

**AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

**AND THAT** the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad; **AND** be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

### 7. ORDINARY RESOLUTION NO. 2

#### - PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

*(Ordinary Resolution 8)*

"**THAT**, subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("**Related Parties**") as described in the Circular/Statement to Shareholders dated 29 April 2024 ("**Recurrent RPTs**") provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders,

("RRPT Mandate").

**AND THAT** such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340 of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by shareholders in a general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."



## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 8. ORDINARY RESOLUTION NO. 3

*(Ordinary Resolution 9)*

#### - PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY)

**"THAT**, subject always to the Companies Act 2016 ("**the Act**"), the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

That upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and /or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Malaysia Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force.

**THAT** such authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which such resolution was passed, at which time the authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

**AND FURTHER THAT** the Directors of the Company be authorised to do all acts, deeds and things and to take all such steps as they may deem fit, appropriate, expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the interest of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **ORDINARY RESOLUTION NO. 4** *(Ordinary Resolution 10)*  
 - **RETENTION OF MADAM ROSITA YEO SWAT GEOK AS SENIOR  
 INDEPENDENT NON-EXECUTIVE DIRECTOR**

**“THAT** Madam Rosita Yeo Swat Geok, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 19 April 2013, be and is hereby retained as Senior Independent Non-Executive Director of the Company.”

10. To transact any other ordinary business for which due notice has been given.

By Order of the Board

**CHUA SIEW CHUAN**  
**(SSM PC NO. 201908002648) (MAICSA 0777689)**  
 Company Secretary

Dated: 29 April 2024

### **Explanatory Notes:**

**1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2023**

This Agenda item is meant for discussion only, as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

**2. Item 3 of the Agenda – Benefits Payables to the Non-Executive Directors (“NEDs”)**

The proposed Ordinary Resolution 2, if approved, will authorise the payment of Directors’ benefits to the NEDs by the Company. The benefits payable to the NED for the period from 29 May 2024 to the Twenty-Seventh Annual General Meeting (“AGM”) of the Company in year 2025 are derived from the estimated meeting allowance of RM500/- per meeting day based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, and number of NEDs involved in the meetings. In addition, the proposed benefits comprise of travelling allowance, car allowance and sports club membership subscription.

**3. Item 4 of the Agenda – Re-election of Directors**

The Nomination Committee has considered the performance and contribution of each of the retiring Directors seeking for re-election.

Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory. The retiring Directors have completed the Directors’ Declarations of Fit and Proper and they are found to be fit and proper for re-election as Directors.

The Board has endorsed the Nomination Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Board meeting.

The details and profiles of the Directors who are standing for re-election at the Twenty-Sixth AGM are provided in the Company’s 2023 Annual Report.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes: (Cont'd)

#### 4. Item 5 of the Agenda – Re-appointment of Auditors

The Audit Committee and the Board had, on 28 February 2024, considered the re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company. The Audit Committee and the Board collectively agreed and are satisfied that Messrs. Crowe Malaysia PLT meets the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### 5. Item 6 of the Agenda - Authority to Issue Shares Pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 at the Twenty-Sixth AGM of the Company (hereinafter referred to as the **"General Mandate"**).

The Company had been granted a general mandate by its shareholders at the Twenty-Fifth AGM of the Company held on 25 May 2023 (hereinafter referred to as the **"Previous Mandate"**). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate.

The proposed resolution, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company (excluding Treasury Shares). This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 58 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 7, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

#### 6. Item 7 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will provide a renewal mandate for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for White Horse Berhad Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular/Statement to Shareholders dated 29 April 2024 for further information.

#### 7. Item 8 of the Agenda - Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 9, if passed, would empower the Directors of the Company to purchase the Company's ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the Company's retained profits based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

Please refer to the Circular/Statement to Shareholders dated 29 April 2024 for further information.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes: (Cont'd)

#### 8. Item 9 of the Agenda - Retention of Madam Rosita Yeo Swat Geok as Senior Independent Non-Executive Director

Madam Rosita Yeo Swat Geok was appointed as an Independent Non-Executive Director of the Company on 19 April 2013 and therefore, has served the Board in that capacity for a cumulative term of more than nine (9) years.

The Board via the Nomination Committee, after having assessed of the independence of Madam Rosita Yeo Swat Geok, regards her to be independent, based amongst others, the following justifications and recommends that Madam Rosita Yeo Swat Geok be retained as a Senior Independent Non-Executive Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in Practice 5.3 of the Malaysian Code on Corporate Governance:-

- she has met the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- she is able to exercise independent judgement and act in the best interests of the Company;
- there is no potential conflict of interest that she could have with the Company and/or its subsidiaries;
- she has consistently demonstrated her independence and professionalism and effectively contributed and added value to the Company through the Board Committee that she serves as well as the Board; and
- there are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and has provide invaluable contributions to the Board in her role as an Independent Non-Executive Director.

#### Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2024 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
4. As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/ shareholders and proxies shall communicate with the main/ broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to [eservices@sshb.com.my](mailto:eservices@sshb.com.my) during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/ Board/relevant adviser during the Meeting.

The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 70 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes:- (Cont'd)

5. Where a member is an Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
8. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
9. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power of authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at +603 2094 9940 and/or +603 2095 0292 or emailed to [eservices@sshshb.com.my](mailto:eservices@sshshb.com.my) not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. Alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <https://sshshb.net.my/> before the proxy form submission cut-off time. The lodging of the Form of Proxy will not preclude any member/shareholder from participating and voting remotely at the Meeting should any member/shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at +603-2084 9000 for further assistance.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshshb.net.my/> by registration cut-off time and date.

Please refer to the Administrative Guide for the Twenty-Sixth AGM for further details.

# ADMINISTRATIVE GUIDE



SECURITIES SERVICES e-PORTAL

ADMINISTRATIVE GUIDE

## WHAT IS Securities Services e-Portal?

**Securities Services e-Portal** is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

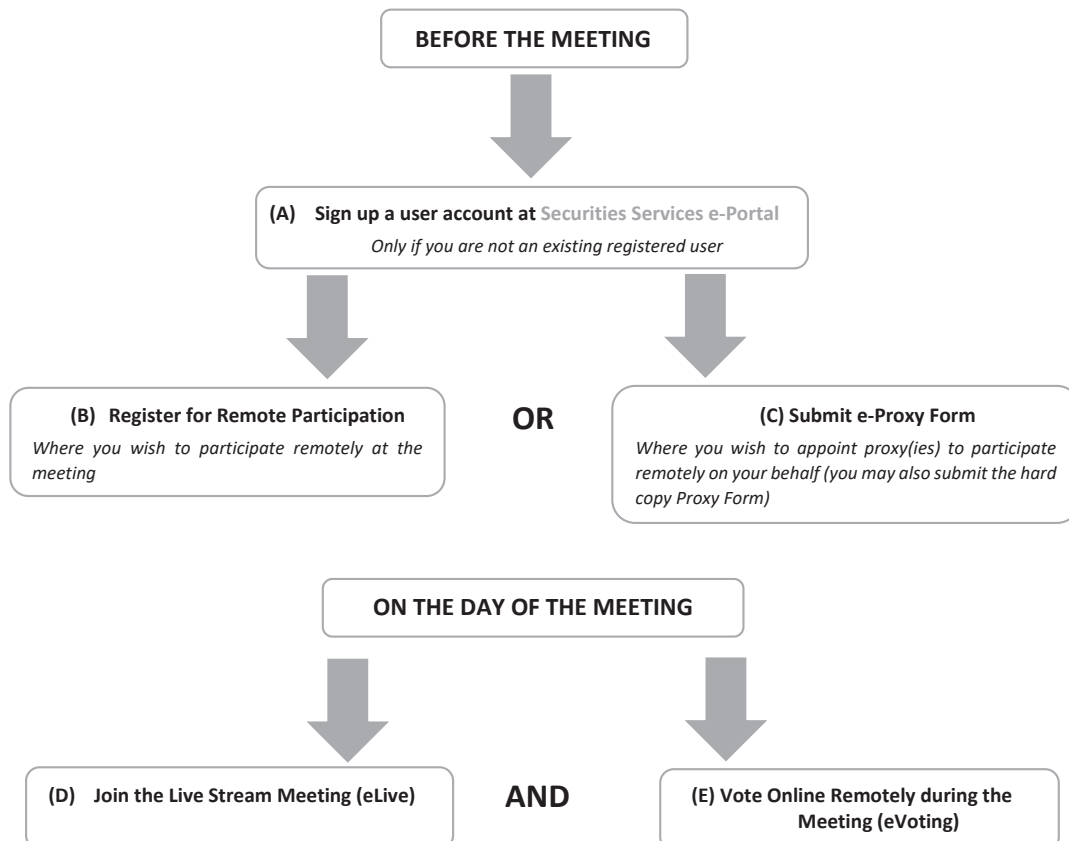
- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings (referred to as “e-Services”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by White Horse Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.

## REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Rachel Ou (DID: +603 2084 9161) or En. Afiq Aiman (DID: +603 2084 9211) or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. Alternatively, you may email us at [eservices@sshb.com.my](mailto:eservices@sshb.com.my).



## ADMINISTRATIVE GUIDE (CONT'D)

### BEFORE THE MEETING

#### (A) Sign up for a user account at Securities Services e-Portal

Step 1	Visit <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a>	<ul style="list-style-type: none"> <li>• <b>This is a ONE-TIME registration.</b> If you already have a user account, you need not register again.</li> <li>• Your email address is your User ID.</li> <li>• Please proceed to either (B) or (C) below once you are a registered user.</li> </ul>
Step 2	Sign up for a user account	
Step 3	Wait for our notification email that will be sent within one (1) working day	
Step 4	Verify your user account within seven (7) days of the notification email and log in	

#### ALL SHAREHOLDERS MUST SIGN UP AS USER BY 23 MAY 2024

#### (B) Register for Remote Participation

Meeting Date and Time	Registration for Remote Participation Closing Date and Time
Tuesday, 28 May 2024 at 3:00 p.m.	Sunday, 26 May 2024 at 3:00 p.m.
<ul style="list-style-type: none"> <li>➤ Log in to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered email and password.</li> <li>➤ Look for <b>White Horse Berhad</b> under Company Name and <b>26th AGM on 28 May 2024 at 3:00 p.m. – Registration for Remote Participation</b> under Event and click “&gt;” to register for remote participation at the meeting.</li> </ul>	
Step 1 Check if you are attending as – <ul style="list-style-type: none"> <li>▪ Individual shareholder</li> <li>▪ Corporate or authorised representative of a body corporate</li> </ul> <p><i>For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The <u>original</u> evidence of authority and translation thereof, if required, have to be submitted to the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.</i></p>	
Step 2	Submit your registration.
<ul style="list-style-type: none"> <li>• A copy of your e-Registration for remote participation can be accessed via <b>My Records</b> (refer to the left navigation panel).</li> <li>• Your registration will apply to <b>all the CDS account(s)</b> of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.</li> <li>• As the meeting will be conducted on a virtual basis and only the Chairman and other essential individuals will be present at the broadcast venue, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.</li> </ul>	
(C) Submit e-Proxy Form	
Meeting Date and Time	Proxy Form Submission Closing Date and Time
Tuesday, 28 May 2024 at 3:00 p.m.	Sunday, 26 May 2024 at 3:00 p.m.
<ul style="list-style-type: none"> <li>➤ Log in to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered email and password.</li> <li>➤ Look for <b>White Horse Berhad</b> under Company Name and <b>26th AGM on 28 May 2024 at 3:00 p.m. – Submission of Proxy Form</b> under Event and click “&gt;” to submit your proxy forms online for the meeting by the submission closing date and time above.</li> </ul>	

## ADMINISTRATIVE GUIDE

(CONT'D)

- Step 1 Check if you are submitting the proxy form as –
- Individual shareholder
  - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above .*
- Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).  
**You may appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.**
- Step 3 Proceed to indicate how your votes are to be casted against each resolution.
- Step 4 Review and confirm your proxy form details before submission.
- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
  - You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

### PROXIES

**All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 23 May 2024. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY.** Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a virtual basis.

### ON THE DAY OF THE MEETING

Log in to <https://sshsb.net.my/> with your registered email and password

(D) Join the Live Stream Meeting (eLive)

Meeting Date and Time	eLive Access Date and Time
Tuesday, 28 May 2024 at 3:00 p.m.	Tuesday, 28 May 2024 at 2:30 p.m.
<p>➤ Look for <b>White Horse Berhad</b> under Company Name and <b>26th AGM on 28 May 2023 at 3:00 p.m. - Live Stream Meeting</b> under Event and click "&gt;" to join the meeting.</p> <ul style="list-style-type: none"> <li>• The access to the live stream meeting will open on the abovementioned date and time.</li> <li>• If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/ Management/ relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.</li> </ul>	



## ADMINISTRATIVE GUIDE (CONT'D)

<b>(E) Vote Online Remotely during the Meeting (eVoting)</b>	
<b>Meeting Date and Time</b>	<b>eVoting Access Date and Time</b>
Tuesday, 28 May 2024 at 3:00 p.m.	Tuesday, 28 May 2024 at 3:00 p.m.
<p>➤ If you are already accessing the Live Stream Meeting, click <b>Proceed to Vote</b> under the live stream player. OR</p> <p>➤ If you are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for <b>White Horse Berhad</b> under Company Name and <b>26th AGM on 28 May 2023 at 3:00 p.m. - Remote Voting</b> under Event and click "&gt;" to remotely cast and submit the votes online for the resolutions tabled at the meeting.</p>	
Step 1	Cast your votes by clicking on the radio buttons against each resolution.
Step 2	Review your casted votes and confirm and submit the votes.
<ul style="list-style-type: none"> <li>• The access to eVoting will open on the abovementioned date and time.</li> <li>• Your votes casted will apply throughout <u>all</u> the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form.</li> <li>• The access to eVoting will close as directed by the Chairman of the meeting.</li> <li>• A copy of your submitted e-Voting can be accessed via <b>My Records</b> (refer to the left navigation panel).</li> </ul>	

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# WHITE HORSE BERHAD

[Registration No. 199701039630 (455130-X)]  
(Incorporated in Malaysia)

CDS account no.

## FORM OF PROXY

Number of ordinary shares held

Mobile phone no.

\*I/We (full name), \_\_\_\_\_

bearing \*NRIC No./Passport No./Registration No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a \*member/members of WHITE HORSE BERHAD ("the Company"), hereby appoint \_\_\_\_\_

\_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

(FULL NAME IN BLOCK CAPITALS)

of (full address) \_\_\_\_\_

or failing \*him/her, \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

(FULL NAME IN BLOCK CAPITALS)

of (full address) \_\_\_\_\_

or failing \*him/her, the \*Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held on a virtual basis via Remote Participation and Voting at the broadcast venue at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 28 May 2024 at 3:00 p.m. or at any adjournment thereof.

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

Ordinary Business		For	Against
Ordinary Resolution 1	Payment of Directors' fees		
Ordinary Resolution 2	Payment of benefits payable to the Non-Executive Directors		
Ordinary Resolution 3	Re-election of Mr. Liao Shen Hua		
Ordinary Resolution 4	Re-election of Mr. Teo Swee Teng		
Ordinary Resolution 5	Re-election of Mr. Teo Kim Lap		
Ordinary Resolution 6	Re-appointment of Messrs. Crowe Malaysia PLT		
Special Business			
Ordinary Resolution 7	Authority to issue shares		
Ordinary Resolution 8	Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
Ordinary Resolution 9	Proposed renewal of authority for the Company to purchase its own shares		
Ordinary Resolution 10	Retention of Madam Rosita Yeo Swat Geok as Senior Independent Non-Executive Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
\* Signature(s)/Common Seal of Member(s)

*\* Strike out whichever not applicable*

### Notes:-

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2024 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- A member entitled to attend and vote at the Meeting shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
- As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members/ shareholders and proxies shall communicate with the main/broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members/shareholders and proxies may email their questions to [eservices@sshshb.com.my](mailto:eservices@sshshb.com.my) during the Meeting. The questions and/or remarks submitted by the members/shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the Meeting.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%



The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 70 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

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7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
9. **Appointment of proxy and registration for remote participation and voting**

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Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshbs.net.my/> by registration cut-off time and date.

Please refer to the Administrative Guide for the Twenty-Sixth AGM for further details.

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AFFIX  
STAMP

**White Horse Berhad**  
Share Registrar's Office  
c/o Securities Services (Holdings) Sdn. Bhd.  
[Registration No. 199701039630 (455130-X)]  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

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Fold This Flap For Sealing

# MARKETING NETWORK

## CERAMIC WORLD SHOWROOMS

### CERAMIC WORLD KUALA LUMPUR

No. 1, Jalan Persiaran 1, Bandar Baru Selayang,  
68100 Batu Caves, Selangor, Malaysia

☎ +603-6136 1188 ☎ +603-6135 1188 / 6138 2366 ✉ [whkl@whitehorse.com.my](mailto:whkl@whitehorse.com.my)

### CERAMIC WORLD JOHOR BAHRU

No. 2, Jalan Mutiara 2, Taman Perindustrian Plentong,  
81750 Plentong, Johor, Malaysia

☎ +607-353 1616 ☎ +607-357 1919 ✉ [whjbshow@whitehorse.com.my](mailto:whjbshow@whitehorse.com.my)

### CERAMIC WORLD BUTTERWORTH

No. 3088, Jalan Kelisa Emas 1, Seberang Jaya, 3700 Perai,  
Penang, Malaysia

☎ +604-397 7888 / 6999 ☎ +604-397 7999

✉ [whbw\\_showroom@whitehorse.com.my](mailto:whbw_showroom@whitehorse.com.my)

### CERAMIC WORLD KLANG

Lot 2737, Jalan Raja Nong/KS2, Taman Perindustrian Sg. jati,  
41200 Klang, Selangor, Malaysia

☎ +603-5161 3888 ☎ +603-5161 3111 ✉ [whkg@whitehorse.com.my](mailto:whkg@whitehorse.com.my)

### CERAMIC ALOR SETAR

No. 202, Lorong Perak 8, Kawasan Perusahaan Mergong 2,  
05150 Alor Setar, Kedah, Malaysia

☎ +604-732 7226 ☎ +604-732 7282 ✉ [whas@whitehorse.com.my](mailto:whas@whitehorse.com.my)

### CONCEPT GALLERY BY WH CERAMIC

No.97, Lorong Kinta 10400 Georgetown, Penang, Malaysia

☎ +604-210 9999 ☎ +604-210 9998 ✉ [whcpg@whitehorse.com.my](mailto:whcpg@whitehorse.com.my)

## OVERSEAS MARKETING OFFICES

### WHITE HORSE SINGAPORE

White Horse Ceramic (S) Pte Ltd

No.1, Sungei Kadut Way, Singapore 728770

☎ +65-6269 0555 ☎ +65-6269 0055 ✉ [enquiry@whitehorse.com.sg](mailto:enquiry@whitehorse.com.sg)

#### Showroom

50 Ubi Avenue 3 #01-10/11 Frontier, Singapore 408866

### WHITE HORSE VIETNAM

White Horse Ceramic Industries (Vietnam) Co., Ltd.

Phuoc lap Quarter, My Xuan Ward, Phu My Town,

Ba Ria-Vung Tau Province, Vietnam

☎ +84 254 3932333 ✉ [shippingwhv@gmail.com](mailto:shippingwhv@gmail.com)

## OTHER BRANCHES

### BATU PAHAT BRANCH

No. 102, Jalan Jelawat, Taman Banang,  
83000 Batu Pahat, Johor, Malaysia

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