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EVERSAFE RUBBER

EVERSAFE RUBBER BERHAD

(Company no: 1133877 - V)
(Incorporated in Malaysia)

QUARTERLY REPORT ON THE CONSOLIDATED
RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2016

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Year Quarter 31.12.2016 RM	(Unaudited) Preceding Year Quarter 31.12.2015 ⁽²⁾ RM	(Audited) Current Year To Date 31.12.2016 RM	(Audited) Preceding Year To Date 31.12.2015 RM
Revenue	19,674,621	N/A	74,740,275	74,779,150
Cost of sales	(14,662,864)	N/A	(55,584,409)	(57,030,324)
Gross profit	5,011,757	N/A	19,155,866	17,748,826
Other operating income	514,060	N/A	3,093,440	2,013,804
Distribution costs	(1,654,369)	N/A	(5,021,792)	(5,298,896)
General and administrative expenses	(2,746,155)	N/A	(6,331,196)	(5,769,663)
Profit from operations	1,125,293	N/A	10,896,318	8,694,071
Finance income	48,084	N/A	157,490	105,819
Finance costs	(130,379)	N/A	(512,582)	(683,674)
Profit before tax	1,042,998	N/A	10,541,226	8,116,216
Tax expense	(221,896)	N/A	(2,273,341)	(1,780,868)
Profit from continuing operations for the financial year/period, attributable to owners of the parent	821,102	N/A	8,267,885	6,335,348
Loss for the financial year/period from discontinued operations, net of tax	(254,959)	N/A	(254,959)	(533,436)
Profit for the financial year/period attributable to owners of the parent	566,143	N/A	8,012,926	5,801,912
Foreign currency translation, net of tax	39,053	N/A	(594,250)	(414,828)
Total comprehensive income, attributable to owners of the parent	605,196	N/A	7,418,676	5,387,084
Earnings per share attributable to owners of the parent:				
Profit for the financial year/period Basic and diluted (sen) ^{(3) (4)}	0.49	N/A	6.88	58.94
Profit from continuing operations Basic and diluted (sen) ^{(3) (4)}	0.71	N/A	7.10	64.36

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (con'd)**

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report for the fourth (4th) quarter ended 31 December 2016 announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding year's quarter available.
- (3) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares for the financial year/period.
- (4) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A - Not applicable

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	As at 31.12.2016 RM (Audited)	As at 31.12.2015 RM (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	32,660,635	31,841,074
Intangible assets	43,400	-
Trade receivable	29,078	165,173
	32,733,113	32,006,247
Current assets		
Inventories	13,078,646	11,444,378
Trade and other receivables	26,883,671	22,099,834
Current tax assets	110,926	180,506
Cash and bank balances	10,712,326	8,916,417
	50,785,569	42,641,135
Assets of disposal group classified as held for sale	-	405,143
TOTAL ASSETS	<u>83,518,682</u>	<u>75,052,525</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	48,148,449	9,843,752
Reserves	7,406,989	38,293,010
TOTAL EQUITY	55,555,438	48,136,762
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	4,234,341	3,950,844
Borrowings	1,265,655	1,582,793
	5,499,996	5,533,637
Current liabilities		
Trade and other payables	6,014,003	8,590,889
Borrowings	15,508,469	12,085,077
Current tax liabilities	940,776	448,185
	22,463,248	21,124,151
Liabilities of disposal group classified as held for sale	-	257,975
TOTAL LIABILITIES	<u>27,963,244</u>	<u>26,915,763</u>
TOTAL EQUITY AND LIABILITIES	<u>83,518,682</u>	<u>75,052,525</u>
Net assets per ordinary share (RM)	0.288	4.890

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 (con'd)

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary shares is calculated based on the Company's number of ordinary shares at the end of the reporting period.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016

	[-----Non-distributable-----]				Distributable	
	Share Capital RM	Capital Reserve RM	Foreign currency translation reserve RM	Reorganisation debit reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2015	9,843,750	7,104	(230,080)	1,389,739	32,973,540	43,984,053
Profit for the financial year	-	-	-	-	5,801,912	5,801,912
Other comprehensive income, net of tax	-	-	(414,828)	-	-	(414,828)
Total comprehensive income	-	-	(414,828)	-	5,801,912	5,387,084
Transactions with owners:						
Dividends	-	-	-	-	(1,234,377)	(1,234,377)
Ordinary shares issued	2	-	-	-	-	2
Total transactions with owners	2	-	-	-	(1,234,377)	(1,234,375)
Balance as at 31 December 2015	9,843,752	7,104	(644,908)	1,389,739	37,541,075	48,136,762

	[-----Non-distributable-----]				Distributable	
	Share Capital RM	Capital Reserve RM	Foreign currency translation reserve RM	Reorganisation debit reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2016	9,843,752	7,104	(644,908)	1,389,739	37,541,075	48,136,762
Profit for the financial year	-	-	-	-	8,012,926	8,012,926
Other comprehensive income, net of tax	-	-	(594,250)	-	-	(594,250)
Total comprehensive income	-	-	(594,250)	-	8,012,926	7,418,676
Transactions with owners:						
Acquisition of subsidiaries in business combination under common control	38,304,697	-	-	(38,304,697)	-	-
Total transactions with owners	38,304,697	-	-	(38,304,697)	-	-
Balance as at 31 December 2016	48,148,449	7,104	(1,239,158)	(36,914,958)	45,554,001	55,555,438

Note:-

- (1) The basis of preparation of the Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016

	(Audited) Current Year To Date 31.12.2016 RM	(Audited) Preceding Year To Date 31.12.2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	10,541,226	8,116,216
Discontinued operations	(254,959)	(533,436)
Adjustments for:		
Non-cash items/Non-operating items	<u>1,314,729</u>	<u>2,957,678</u>
Operating profit before working capital changes	11,600,996	10,540,458
Changes in working capital:		
(Increase)/Decrease in inventories	(1,736,909)	2,232,261
Increase in trade and other receivables	(2,894,310)	(903,525)
Decrease in trade and other payables	(1,758,215)	(1,121,111)
Others	<u>704,401</u>	<u>495,795</u>
Cash generated from operations	5,915,963	11,243,878
Tax paid - net	<u>(1,430,562)</u>	<u>(1,622,852)</u>
Net cash from operating activities	4,485,401	9,621,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	157,490	105,819
Placement of a short-term deposit	(1,500,000)	-
Proceeds from disposal of property, plant and equipment	14,000	135,835
Proceeds from disposal of a former subsidiary	(92,775)	-
Purchase of property, plant and equipment	<u>(4,086,519)</u>	<u>(915,275)</u>
Net cash used in investing activities	(5,507,804)	(673,621)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (con'd)

	(Audited) Current Year To Date 31.12.2016 RM	(Audited) Preceding Year To Date 31.12.2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(492,187)	(742,190)
Interest paid	(512,582)	(683,674)
Issuance of ordinary shares	-	2
Net drawdowns/(repayments) of bank borrowings	1,169,523	(5,530,970)
Placements of short-term deposits pledged as securities	(610,665)	(1,096,212)
Net cash used in financing activities	<u>(445,911)</u>	<u>(8,053,044)</u>
Net (decrease)/increase in cash and cash equivalents	(1,468,314)	894,361
Effect of foreign exchange rates changes	(28,709)	352,828
Cash and cash equivalents at the beginning of the financial year	<u>4,207,098</u>	<u>2,959,909</u>
Cash and cash equivalents at the end of the financial year	<u><u>2,710,075</u></u>	<u><u>4,207,098</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	10,712,326	8,916,417
Less: Deposits with licensed banks and other financial institutions with maturity of over 3 months	(1,500,000)	-
Less: Deposits pledged as securities	<u>(4,963,066)</u>	<u>(4,352,401)</u>
	4,249,260	4,564,016
Less: Bank overdrafts	<u>(1,539,185)</u>	<u>(356,918)</u>
	<u><u>2,710,075</u></u>	<u><u>4,207,098</u></u>

Note:

- (1) The basis of preparation of the Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016

A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of Eversafe Rubber Berhad (“Eversafe Rubber” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Securities.

This is the first interim financial report on the consolidated results for the fourth (4th) quarter ended 31 December 2016 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding quarter.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 31 March 2017, except for the following:

MFRSs (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 12 <i>Annual Improvements to MFRSs 2014 - 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 1 <i>Annual Improvements to MFRSs 2014 - 2016 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRSs 2014 - 2016 Cycle</i>	1 January 2018
Amendments MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts</i>	See MFRS 4 paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A3. AUDITORS’ REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding year’s audited financial statements of the Group were not subject to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

Generally, our sales for the first (1st) half of the year will be slower as compared to the second (2nd) half of the year. This is attributable to the festive seasons and public holidays in both Malaysia and The People’s Republic of China such as Labour Day and Chinese New Year as well as the Ramadhan fasting month. We generally see our sales picking up in the second (2nd) half of the year. Save for the above, our Group does not experience any other material seasonality or cyclical effects in sales.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in the current financial quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

EVERSAFE RUBBER BERHAD (1133877 - V)
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A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A8. SEGMENTAL INFORMATION

The Group is principally involved in the manufacturing and sale of rubber based tyre retread products and provision of related services.

No product and services segment information is presented as the Chief Operating Decision Maker (CODM) views the Group as a single reportable segment.

Segment revenue is based on geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group.

The following are revenue from external customers by geographical location with revenue equal or more than ten percent (10%) of the Group revenue:

	Individual Quarter		Cumulative Quarter	
	31.12.2016 RM	31.12.2015 ⁽¹⁾ RM	31.12.2016 RM	31.12.2015 RM
Revenue from external customers				
Malaysia	8,570,341	N/A	32,182,432	34,066,424
Japan	<u>3,395,842</u>	<u>N/A</u>	<u>13,795,770</u>	<u>9,975,953</u>

There is only one major customer contributing approximately RM10,700,000 of the revenue of the Group, which equals to ten percent (10%) or more of Group revenue for the current financial year (2015: Nil).

Note:

(1) This is the first interim financial report for the fourth (4th) quarter ended 31 December 2016 announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year’s quarter available.

N/A - Not applicable

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

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A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A13. CAPITAL COMMITMENTS

Save for the new manufacturing lines and enhanced automation systems as disclosed in note B6, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter under review.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

For the current financial quarter under review, the Group recorded revenue of RM19,674,621. The Group's revenue was mainly derived from sale of rubber based tyre retread products and provision of related services.

The Group registered a profit before taxation of RM1,042,998 for the current financial quarter under review.

There are no comparative figures for the preceding year corresponding quarter's results as this is the first interim financial report for the fourth (4th) quarter ended 31 December 2016 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31.12.2016 RM	Preceding Quarter 30.9.2016 RM	Variance RM	%
Revenue	19,764,621	N/A	N/A	N/A
Profit before tax	<u>1,042,998</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Note:

N/A Not applicable

No comparative figures for the preceding year corresponding quarter are available as this is the first interim financial report on the consolidated results for the financial quarter ended 31 December 2016 being announced by the Company in compliance with the Listing requirements of Bursa Securities.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (CONT'D)

B3. COMMENTARY ON PROSPECTS

As disclosed in the Prospectus of the Company dated 31 March 2017, the Group has put in place a series of future plans in the following areas:-

Grow overseas markets

- (a) establish footprint in new overseas markets
- (b) increase export sales to overseas markets
- (c) enhance manufacturing capabilities
- (d) widen range of products, particularly high value-added and premium products
- (e) branding initiative and establish IPR in new overseas markets

Enhance product quality

- (f) improve efficiency and reduce wastage
- (g) ensure consistent product quality

Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2017 will remain favourable.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (CONT'D)

B4. INCOME TAX EXPENSES

	Individual Quarter		Cumulative Quarter	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM	RM	RM	RM
Income tax expense:-				
Current financial period/year	221,896	N/A	2,317,930	1,702,089
(Over)/Under provision in prior year	-	N/A	(328,086)	154,882
	<u>221,896</u>	<u>N/A</u>	<u>1,989,844</u>	<u>1,856,971</u>
Deferred tax:-				
Current financial period/year	-	N/A	(117,403)	241,297
Under/(Over) provision in prior year	-	N/A	400,900	(317,400)
Total tax expense	<u>221,896</u>	<u>N/A</u>	<u>2,273,341</u>	<u>1,780,868</u>

Note:

N/A Not applicable

No comparative figures for the preceding year corresponding quarter are available as this is the first interim financial report on the consolidated results for the financial quarter ended 31 December 2016 being announced by the Company in compliance with the Listing requirements of Bursa Securities.

The applicable Malaysian income tax rate is 24% for the financial year ended 31 December 2016 (25% for the year ended 31 December 2015).

The Group's effective tax rate for the current quarter and financial year under review is lower than the statutory tax rate primarily due to utilisation of reinvestment allowance.

B5. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (CONT'D)

B6. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this report:-

Initial Public Offering of up to 78,000,000 ordinary shares in Eversafe Rubber comprising:-

- (i) Public issue of 48,000,000 new shares (“Issue Shares”) comprising:-
 - 12,500,000 Issue Shares to the Malaysian public
 - 11,500,000 Issue Shares to eligible persons
 - 24,000,000 Issue Shares by way of private placement to institutional and selected investors
- (ii) Offer for sale of up to 30,000,000 existing shares (“Offer Shares”) comprising:-
 - Up to 6,000,000 Offer Shares by way of private placement to institutional and selected investors
 - Up to 24,000,000 Offer Shares by way of placement to Bumiputera investors approved by the Ministry of International Trade and Industry of Malaysia

at an issue/offer price of RM0.36 per share payable in full on application pursuant to the listing of Eversafe Rubber on the ACE Market of Bursa Securities.

The gross proceeds arising from the public issue amounting to RM17,280,000 shall be utilised in the following manner:-

Purposes	Proposed Utilisation RM'000	Estimated timeframe for utilisation upon listing
(a) New manufacturing lines and enhanced automation systems	12,580	Within 24 months
(b) Establish intellectual property rights and overseas branding initiative	1,500	Within 36 months
(c) Estimated listing expenses	3,200	Immediate
Total	<u>17,280</u>	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 31 March 2017.

As at the date of this report, the public issue exercise is pending completion and hence there was no utilisation of proceeds.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (CONT'D)

B7. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowing (all of which are secured against the Group's assets) as at 31 December 2016 are as follows:-

	As at 31.12.2016 RM	As at 31.12.2015 RM
Current liabilities		
Bankers' acceptance	13,284,596	10,189,701
Term loans	404,249	1,276,770
Hire purchase and lease creditors	280,439	261,688
Bank overdrafts	1,539,185	356,918
	<u>15,508,469</u>	<u>12,085,077</u>
Non-current liabilities		
Term loans	780,699	1,184,078
Hire purchase and lease creditors	484,956	398,715
	<u>1,265,655</u>	<u>1,582,793</u>
	<u>16,774,124</u>	<u>13,667,870</u>

Currency exposure profile of borrowings is as follows:

	As at 31.12.2016 RM	As at 31.12.2015 RM
RM	10,013,915	13,677,870
USD	6,760,209	-
	<u>16,774,124</u>	<u>13,677,870</u>

B8. MATERIAL LITIGATION

There were no material litigations pending as at the date of this announcement.

B9. DIVIDENDS

The Board of Directors does not recommend any dividend for the current financial quarter under review.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2016 (CONT'D)

B10. EARNINGS PER SHARE (“EPS”)

The basic and diluted EPS for the current financial quarter and financial year-to-date are computed as follows:

	Current Year Quarter 31.12.2016 RM	Current Year-to-date 31.12.2016 RM
Profit from continuing operations attributable to equity holders of the Company	821,102	8,267,885
Loss from discontinued operations attributable to equity holders of the Company	(254,959)	(254,959)
Profit attributable to owners of the Company	<u>566,143</u>	<u>8,012,926</u>
Weighted average number of ordinary shares	<u>116,447,944</u>	<u>116,447,944</u>
Basic earnings per ordinary share for (sen):		
Profit from continuing operations	0.71	7.10
Loss from discontinued operations	(0.22)	(0.22)
Profit for the financial year	<u>0.49</u>	<u>6.88</u>

Diluted

The diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

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B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit before taxation is arrived at after charging/(crediting):-

	Current Year Quarter 31.12.2016 RM	Current Year-to-date 31.12.2016 RM
Amortisation of intangible assets	21,700	21,700
Bad debts written off	68,138	68,138
Depreciation of property, plant and equipment	925,666	3,601,144
Gain on disposal of property, plant and equipment	(13,999)	(13,999)
Interest expenses	130,379	512,582
Interest income	(48,084)	(157,490)
Inventories written off	32,214	32,214
Loss on disposal of a former subsidiary	11,013	11,013
Unrealised gain on foreign exchange	(150,994)	(2,760,573)

Other disclosure items pursuant to Note 16 Appendix 9B of the Listing Requirements of Bursa Securities are not applicable.

B12. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The realised and unrealised retained profits of the Group are analysed as follows:-

	As at 31.12.2016 RM	As at 31.12.2015 RM
Total retained profits of the Group		
- Realised	42,793,428	36,352,640
- Unrealised	2,760,573	1,188,435
	<u>45,554,001</u>	<u>37,541,075</u>