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EVERSAFE RUBBER

EVERSAFE RUBBER BERHAD

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

CONSOLIDATED
RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 ⁽¹⁾

	Individual Period (4th quarter)		Cumulative Period	
	Current Year Quarter 31.12.2017 RM	Preceding Year Corresponding Quarter 31.12.2016 RM	Current Year To-date 31.12.2017 RM	Preceding Year Corresponding Period 31.12.2016 RM
Revenue	26,907,638	19,674,621	90,786,007	74,740,275
Cost of sales	(21,485,102)	(14,662,864)	(74,164,175)	(55,584,409)
Gross profit	5,422,536	5,011,757	16,621,832	19,155,866
Other operating income	885,164	514,060	1,065,188	3,093,440
Distribution costs	(1,911,976)	(1,654,369)	(5,865,240)	(5,021,792)
General and administrative expenses	(3,135,287)	(2,746,155)	(7,688,723)	(6,331,196)
Other - Listing expenses	-	-	(2,240,503)	-
Profit from operations	1,260,437	1,125,293	1,892,554	10,896,318
Finance income	27,368	48,084	157,378	157,490
Finance costs	(224,676)	(130,379)	(853,383)	(512,582)
Profit before tax	1,063,129	1,042,998	1,196,549	10,541,226
Tax expense	(416,697)	(221,896)	(766,027)	(2,273,341)
Profit from continuing operations for the financial year/period, attributable to owners of the parent	646,432	821,102	430,522	8,267,885
Loss for the financial year/period from discontinued operations, net of tax	-	(254,959)	-	(254,959)
Profit for the financial year/period attributable to owners of the parent	646,432	566,143	430,522	8,012,926
Foreign currency translation, net of tax	(11,680)	39,053	(13,010)	(594,250)
Total comprehensive income, attributable to owners of the parent	634,752	605,196	417,512	7,418,676
Profit per share attributable to owners of the parent:				
Profit for the financial year/period Basic and diluted (sen) ⁽²⁾⁽³⁾	0.27	0.49	0.19	6.88
Profit from continuing operations Basic and diluted (sen) ⁽²⁾⁽³⁾	0.27	0.71	0.19	7.10

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (con'd)**

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes to this interim financial report.
- (2) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares for the financial period.
- (3) 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)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 ⁽¹⁾**

	As at 31.12.2017 RM (Unaudited)	As at 31.12.2016 RM (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	33,550,109	32,660,635
Intangible assets	21,700	43,400
Trade receivable	-	29,078
	33,571,809	32,733,113
Current assets		
Inventories	13,739,290	13,078,646
Trade and other receivables	33,783,597	26,883,671
Current tax assets	110,895	110,926
Cash and bank balances	20,115,662	10,712,326
	67,749,444	50,785,569
TOTAL ASSETS	101,321,253	83,518,682
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,428,449	48,148,449
Reserves	2,971,813	7,406,989
TOTAL EQUITY	68,400,262	55,555,438
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	3,785,417	4,234,341
Borrowings	1,732,105	1,265,655
	5,517,522	5,499,996
Current liabilities		
Trade and other payables	6,874,563	6,014,003
Borrowings	19,986,486	15,508,469
Current tax liabilities	542,420	940,776
	27,403,469	22,463,248
TOTAL LIABILITIES	32,920,991	27,963,244
TOTAL EQUITY AND LIABILITIES	101,321,253	83,518,682
Net assets per ordinary share (RM) ⁽²⁾	0.284	0.288

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 ⁽¹⁾ (con'd)

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 ⁽¹⁾

	[-----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

	[-----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 2017	48,148,449	7,104	(1,239,158)	(36,914,958)	45,554,001	55,555,438
Issuance of new ordinary shares arising from Initial Public Offering ("IPO")	17,280,000	-	-	-	-	17,280,000
Share issue expenses	-	-	-	-	(522,000)	(522,000)
Profit for the financial year	-	-	-	-	430,522	430,522
Other comprehensive income, net of tax	-	-	(13,010)	-	-	(13,010)
Total comprehensive income	-	-	(13,010)	-	430,522	417,512
Dividend paid during the year	-	-	-	-	(4,330,688)	(4,330,688)
Balance as at 31 December 2017	65,428,449	7,104	(1,252,168)	(36,914,958)	41,131,835	68,400,262

Note:-

(1) The basis of preparation of the Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the accompanying notes to this interim financial report.

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 ⁽¹⁾**

	(Unaudited) 12 months ended 31.12.2017 RM	(Audited) 12 months ended 31.12.2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
Continuing operations	1,196,549	10,541,226
Discontinued operations	-	(254,959)
Adjustments for:		
Non-cash items/Non-operating items	5,369,666	1,314,729
Operating profit before working capital changes	6,566,215	11,600,996
Changes in working capital:		
Increase in inventories	(748,606)	(1,736,909)
Increase in trade and other receivables	(5,487,981)	(2,894,310)
Increase/(Decrease) in trade and other payables	1,256,058	(1,758,215)
Others	(287,301)	704,401
Cash generated from operations	1,298,385	5,915,963
Tax paid - net	(1,607,528)	(1,430,562)
Net cash (used in)/generated from operating activities	(309,143)	4,485,401
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	157,378	157,490
Placement of a short-term deposit	(25,000)	(1,500,000)
Proceeds from disposal of property, plant and equipment	12,470	14,000
Proceeds from disposal of a former subsidiary	-	(92,775)
Purchase of property, plant and equipment	(4,597,266)	(4,086,519)
Net cash used in investing activities	(4,452,418)	(5,507,804)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (con'd)**

	(Unaudited) 12 months ended 31.12.2017 RM	(Audited) 12 months ended 31.12.2016 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,330,688)	(492,187)
Interest paid	(853,383)	(512,582)
Issuance of ordinary shares	17,280,000	-
Listing and share issue expenses	(2,762,503)	-
Net drawdowns of bank borrowings	4,960,174	1,169,523
Decrease/(Increase) in short-term deposits pledged as securities	1,405,804	(610,665)
Net cash generated from/(used in) financing activities	15,699,404	(445,911)
Net increase/(decrease) in cash and cash equivalents	10,937,843	(1,468,314)
Effect of foreign exchange rates changes	(30,676)	(28,709)
Cash and cash equivalents at the beginning of the financial year	2,710,075	4,207,098
Cash and cash equivalents at the end of the financial year	13,617,242	2,710,075
Cash and cash equivalents comprise:		
Cash and bank balances	20,115,662	10,712,326
Less: Deposits pledged as securities	(3,582,262)	(4,963,066)
Less: Deposits with licensed banks and other financial institutions with maturity of over 3 months	(1,500,000)	(1,500,000)
	15,033,400	4,249,260
Less: Bank overdrafts	(1,416,158)	(1,539,185)
	13,617,242	2,710,075

Note:

(1) The basis of preparation of the Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

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.

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 in the audited financial statements of the Company for the year ended 31 December 2016, 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

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

The Group’s business operations are not materially affected by seasonal or cyclical factors during the current financial quarter under review.

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, public holidays and geometric condition in certain country. 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 and the financial year-to-date under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that had a material effect in the current financial quarter and the financial year-to-date under review.

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A7. DEBT AND EQUITY SECURITIES

Save for the allotment of 48,000,000 ordinary shares of RM0.36 per share on 19 April 2017 pursuant to the Initial Public Offering, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and the financial year-to-date.

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.

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	
	3 months ended 31.12.2017 RM	3 months ended 31.12.2016 RM	12 months ended 31.12.2017 RM	12 months ended 31.12.2016 RM
Revenue from external customers				
Malaysia	10,705,355	8,570,341	36,564,600	32,182,432
Japan	3,248,491	3,395,842	13,950,865	13,795,770
Others	12,953,792	7,708,438	40,270,542	28,762,073
	<u>26,907,638</u>	<u>19,674,621</u>	<u>90,786,007</u>	<u>74,740,275</u>
Sales by currency				
- USD	5,877,169	3,222,069	19,993,051	10,466,855
- JPY	3,248,491	3,395,842	13,950,865	13,795,770
- RM	10,705,355	8,570,341	36,564,600	32,182,432
- Others	7,076,623	4,486,369	20,277,491	18,295,218
	<u>26,907,638</u>	<u>19,674,621</u>	<u>90,786,007</u>	<u>74,740,275</u>
Average foreign exchange rates				
- RM/USD	4.161	4.326	4.300	4.144
- RM/JPY100	<u>3.685</u>	<u>3.960</u>	<u>3.834</u>	<u>3.819</u>

(source: Bank Negara Malaysia Exchange Rate)

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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 and the financial year-to-date under review.

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 and the financial year-to-date 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 B7, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter under review.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

Current Quarter vs Previous Year Corresponding Quarter

For the current financial quarter under review, the Group recorded revenue of RM26.91 million as compared to revenue of RM19.67 million for the preceding year's corresponding quarter. This is mainly due to the increase in the sales of tyre retreading materials especially pre-cured tread liner that is the main income of the Group.

The Group registered a profit before taxation of RM1.06 million for the current financial quarter under review as compared to the profit before taxation of RM1.04 million for the preceding year corresponding quarter. This is mainly due to the higher gross revenue achieved.

Current Year-to-date vs Previous Year-to-date

The Group achieved revenue of RM90.79 million for the financial year under review as compared to revenue of RM74.74 million for the preceding financial year. This is mainly due to the increase in the sales of tyre retreading materials especially pre-cured tread liner that is the main income of the Group.

The Group recorded a profit before taxation of RM1.20 million for the financial year as compared to the preceding year's profit before taxation of RM10.54 million. This is mainly due to the listing expenses, higher cost of raw materials and lower foreign exchange gain.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31.12.2017 RM	Preceding Quarter 30.09.2017 RM	Variance RM	%
Revenue	26,907,638	25,004,070	1,903,568	7.61
Profit before tax	<u>1,063,129</u>	<u>768,308</u>	<u>294,821</u>	<u>38.37</u>

The Group's revenue increased by 7.61% from RM25.00 million recorded in the immediate preceding quarter to RM26.91 million in the current financial quarter. This is mainly due to the increase in the sales of tyre retreading materials especially pre-cured tread liner that is the main income of the Group.

The Group recorded a profit before tax of RM1.06 million as compared to the profit before tax of RM0.77 million in the previous financial quarter which is mainly due to the higher gross revenue achieved.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (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 Intellectual property rights in new overseas markets

Enhance product quality

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

The Group plans to increase its export sales and geographical footprint to various overseas markets. The new markets the Group intends to expand to will primarily be outside the ASEAN region, with a focus on the South American region. The Group is in the midst of finalising the details of a joint venture agreement with its business partner to establish a tyre retreading plant in South America and also to market and distribute the retreaded tyres.

Being in the export business, the Group is exposed to foreign currency exchange risks as the Group's export revenue is mainly transacted in USD and JPY. On the other hand, the import of the raw materials such as synthetic rubber and carbon black is mainly denominated in USD. Any significant movement in foreign exchange rates will affect the Group's financial performance. Nonetheless, the Group matches its foreign-denominated sales with foreign-denominated purchases as a natural hedge to a certain degree against adverse foreign exchange fluctuations.

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 2018 will remain satisfactory.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

B4. INCOME TAX EXPENSES

	Individual Quarter		Cumulative Quarter	
	3 months ended 31.12.2017 RM	3 months ended 31.12.2016 RM	12 months ended 31.12.2017 RM	12 months ended 31.12.2016 RM
Income tax expense:-				
Current financial period/year	1,280,350	221,896	1,500,490	2,317,930
Over provision in prior year	(291,300)	-	(291,300)	(328,086)
Deferred tax:-				
Current financial period/year	(948,563)	-	(819,373)	(117,403)
Under provision in prior year	376,210	-	376,210	400,900
Total tax expense	<u>416,697</u>	<u>221,896</u>	<u>766,027</u>	<u>2,273,341</u>

The applicable Malaysian income tax rate is 24% for the financial year ended 31 December 2017 (24% for the financial year ended 31 December 2016).

The Group's effective tax rate for the current year-to-date were higher than the statutory rate due to losses incurred by certain subsidiaries and also certain expenses which were not deductible for tax purposes.

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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced as at the date of this report.

B7. UTILISATION OF PROCEEDS

Based on the IPO price of RM0.36 per share, 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	Actual * Utilisation RM'000	Deviations # RM'000	Balance RM'000	Estimated Timeframe for utilisation upon listing
(a) New manufacturing lines and enhanced automation systems	12,580	(8,955)^	293	3,918	Within 24 months
(b) Establish intellectual property rights and overseas branding Initiative	1,500	(129)	-	1,371	Within 36 months
(c) Estimated listing expenses	3,200	(2,907)	(293)	-	Immediate
Total	17,280	(11,991)	-	5,289	

* Utilisation as at 31 December 2017.

All listing expenses have been fully paid. Accordingly, the balance of RM0.293 million will be utilised for new manufacturing lines and enhancing automation systems.

^ Part of these which include capital expenditure incurred prior to the IPO which was funded using internally generated funds and bank borrowings.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

B8. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowing (all of which are secured against the Group's assets) as at 31 December 2017 are as follows:-

	<u>Long term</u>		<u>As at 31.12.2017</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	1,438,584	5,822,669	1,438,584	5,822,669
Bankers' acceptance	-	-	-	11,434,000	-	11,434,000
Term loans	-	1,158,895	-	1,051,001	-	2,209,896
Hire purchase and lease creditors	-	573,210	-	262,658	-	835,868
Bank overdrafts	-	-	-	1,416,158	-	1,416,158
Total	-	1,732,105	1,438,584	19,986,486	1,438,584	21,718,591

	<u>Long term</u>		<u>As at 31.12.2016</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	1,663,324	6,760,209	1,663,324	6,760,209
Bankers' acceptance	-	-	-	6,524,387	-	6,524,387
Term loans	-	780,699	-	404,249	-	1,184,948
Hire purchase and lease creditors	-	484,956	-	280,439	-	765,395
Bank overdrafts	-	-	-	1,539,185	-	1,539,185
Total	-	1,265,655	1,663,324	15,508,469	1,663,324	16,774,124

B9. MATERIAL LITIGATION

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

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

B10. DIVIDENDS

There was no dividend declared for the current financial quarter. In the financial year-to-date, the Board of Directors has declared an interim single-tier dividend of 1.80 sen per share, amounting to RM4,330,688 in respect of the financial year ended 31 December 2017 on 17 May 2017 and paid on 14 July 2017 to shareholders registered in the Company's Register as at 30 June 2017.

B11. EARNINGS PER SHARE ("EPS")

The basic and diluted EPS for the current financial quarter and current period of 31 December 2017 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31.12.2017 RM	3 months ended 31.12.2016 RM	12 months ended 31.12.2017 RM	12 months ended 31.12.2016 RM
Basic				
Profit from continuing operations attributable to equity holders of the Company	646,432	821,102	430,522	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>646,432</u>	<u>566,143</u>	<u>430,522</u>	<u>8,012,926</u>
Weighted average number of ordinary shares	<u>240,593,796</u>	<u>116,447,944</u>	<u>226,391,056</u>	<u>116,447,944</u>
Basic earnings per ordinary share for (sen):				
Profit from continuing operations	0.27	0.71	0.19	7.10
Loss from discontinued operations	-	(0.22)	-	(0.22)
Profit for the financial year	<u>0.27</u>	<u>0.49</u>	<u>0.19</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.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Individual Quarter		Cumulative Quarter	
	3 months ended 31.12.2017 RM	3 months ended 31.12.2016 RM	12 months ended 31.12.2017 RM	12 months ended 31.12.2016 RM
Interest income	(27,368)	(48,084)	(157,378)	(157,490)
Other income including investment income	-	-	-	-
Interest expense	224,676	130,379	853,383	512,582
Depreciation of property, plant and equipment	1,068,085	925,666	4,029,896	3,601,144
Amortisation of intangible assets	5,425	21,700	21,700	21,700
Bad debts written off	3,514	68,138	3,514	68,138
Inventories written down	-	32,214	-	32,214
Reversal of inventories written down	(44,233)	-	(44,233)	-
Gain on disposal of property, plant and equipment	-	(13,999)	-	(13,999)
Loss on disposal of a former subsidiary	-	11,013	-	11,013
Impairment of assets	-	-	-	-
Impairment loss on trade receivables	539,928	-	539,928	-
Reversal of impairment loss on trade receivables	(7,566)	-	(7,566)	-
Foreign exchange loss	299,287	461,721	622,156	461,721
Foreign exchange gain	(644,833)	(150,994)	(644,833)	(2,760,573)
Exceptional items	-	-	-	-

B13. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

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

	As at 31.12.2017 RM	As at 31.12.2016 RM
Total retained profits of the Group		
- Realised	42,797,425	47,027,769
- Unrealised	(1,665,590)	(1,473,768)
	<u>41,131,835</u>	<u>45,554,001</u>