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EVERSAFE RUBBER

EVERSAFE RUBBER BERHAD

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

CONSOLIDATED
RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2019

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019 ⁽¹⁾

	Individual Period (2nd quarter)		Cumulative Period	
	Current Year Quarter 30.06.2019 RM	Preceding Year Corresponding Quarter 30.06.2018 RM	Current Year To-date 30.06.2019 RM	Preceding Year Corresponding Period 30.06.2018 RM
Revenue	27,821,303	27,482,027	53,613,344	53,246,549
Cost of sales	(23,457,482)	(24,279,616)	(46,128,206)	(46,151,232)
Gross profit	4,363,821	3,202,411	7,485,138	7,095,317
Other operating income	436,730	(109,085)	457,929	256,381
Distribution costs	(2,272,048)	(1,747,681)	(3,805,847)	(3,091,827)
General and administrative expenses	(1,423,061)	(1,534,714)	(3,424,830)	(4,035,346)
Profit/(Loss) from operations	1,105,442	(189,069)	712,390	224,525
Finance income	32,248	27,070	64,062	54,263
Finance costs	(259,719)	(248,098)	(589,145)	(480,175)
Profit/(Loss) before tax	877,971	(410,097)	187,307	(201,387)
Taxation	(51,156)	(848)	(53,987)	(141,543)
Profit/(Loss) for the financial period attributable to owners of the parent	826,815	(410,945)	133,320	(342,930)
Foreign currency translation, net of tax	101,014	63,801	18,195	32,595
Total comprehensive income/(loss), attributable to owners of the parent	927,829	(347,144)	151,515	(310,335)
Earnings/(Loss) per share attributable to owners of the parent:				
Profit/(Loss) for the financial period				
Basic and diluted (sen) ⁽²⁾⁽³⁾	0.34	(0.17)	0.06	(0.14)

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019⁽¹⁾ (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 audited financial statements of the Group for the year ended 31 December 2018 and 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.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 ⁽¹⁾**

	As at 30.06.2019 RM (Unaudited)	As at 31.12.2018 RM (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	37,772,818	39,274,465
Right-of-use assets	3,991,621	-
Intangible assets	1	1
Trade receivables	1,478,281	1,523,574
	43,242,721	40,798,040
Current assets		
Inventories	18,611,651	16,132,557
Trade and other receivables	25,969,111	25,662,715
Current tax assets	673,468	516,616
Cash and bank balances	16,704,875	13,119,845
	61,959,105	55,431,733
TOTAL ASSETS	105,201,826	96,229,773
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,428,449	65,428,449
Reserves	(5,149,985)	(5,117,669)
TOTAL EQUITY	60,278,464	60,310,780
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	3,950,044	3,950,874
Lease liabilities	3,688,959	-
Borrowings	4,812,528	1,103,941
	12,451,531	5,054,815
Current liabilities		
Trade and other payables	7,516,602	8,371,404
Lease liabilities	514,709	-
Borrowings	24,440,520	22,492,774
Current tax liabilities	-	-
	32,471,831	30,864,178
TOTAL LIABILITIES	44,923,362	35,918,993
TOTAL EQUITY AND LIABILITIES	105,201,826	96,229,773
Net assets per ordinary share (RM) ⁽²⁾	0.251	0.251

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 ⁽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 audited financial statements of the Group for the year ended 31 December 2018 and the accompanying explanatory notes to this interim financial report.
- (2) Net assets per ordinary share 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019 ⁽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 2018, as previously reported	65,428,449	7,104	(1,252,168)	(36,914,958)	41,131,835	68,400,262
Effects of adoption of:						
MFRS 9	-	-	-	-	(3,822,719)	(3,822,719)
MFRS 15	-	-	-	-	(924,141)	(924,141)
Balance as at 1 January 2018, as restated	65,428,449	7,104	(1,252,168)	(36,914,958)	36,384,975	63,653,402
Loss for the financial period	-	-	-	-	(342,930)	(342,930)
Other comprehensive loss, net of tax	-	-	32,595	-	-	32,595
Total comprehensive profit	-	-	32,595	-	(342,930)	(310,335)
Balance as at 30 June 2018	65,428,449	7,104	(1,219,573)	(36,914,958)	36,042,045	63,343,067

	[-----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 2019, as previously reported	65,428,449	7,104	(1,111,447)	(36,914,958)	32,901,632	60,310,780
Effects of adoption of:						
MFRS 16	-	-	-	-	(183,831)	(183,831)
Balance as at 1 January 2019, as restated	65,428,449	7,104	(1,111,447)	(36,914,958)	32,717,801	60,126,949
Profit for the financial period	-	-	-	-	133,320	133,320
Other comprehensive loss, net of tax	-	-	18,195	-	-	18,195
Total comprehensive loss	-	-	18,195	-	133,320	151,515
Balance as at 30 June 2019	65,428,449	7,104	(1,093,252)	(36,914,958)	32,851,121	60,278,464

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 audited financial statements of the Group for the year ended 31 December 2018 and 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019 ⁽¹⁾**

	(Unaudited) 6 months ended 30.06.2019 RM	(Unaudited) 6 months ended 30.06.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	187,307	(201,387)
Adjustments for:		
Non-cash items/Non-operating items	3,319,113	3,540,320
Operating profit before working capital changes	3,506,420	3,338,933
Changes in working capital:		
Increase in inventories	(2,471,980)	(680,813)
Increase in trade and other receivables	(876,819)	(3,878,057)
(Increase)/Decrease in trade and other payables	(783,303)	800,291
Others	289,847	23,540
Cash generated from operations	(335,835)	(396,106)
Tax paid - net	(211,620)	(537,141)
Net cash used in operating activities	(547,455)	(933,247)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	64,062	54,263
Proceeds from disposal of property, plant and equipment	164,097	69,378
Purchase of property, plant and equipment	(1,125,212)	(3,249,053)
Net cash used in investing activities	(897,053)	(3,125,412)

EVERSAFE RUBBER BERHAD (COMPANY NO.: 1133877 - V)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019 (con'd)**

	(Unaudited) 6 months ended 30.06.2019 RM	(Unaudited) 6 months ended 30.06.2018 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(589,145)	(480,175)
Net drawdowns of bank borrowings	6,169,952	1,486,453
Decrease in short-term deposits pledged as securities	(57,517)	(53,942)
Net cash generated from financing activities	5,523,290	952,336
Net increase/(decrease) in cash and cash equivalents	4,078,782	(3,106,323)
Effect of foreign exchange rates changes	(3,706)	(30,859)
Cash and cash equivalents at the beginning of the financial period	5,902,471	13,617,242
Cash and cash equivalents at the end of the financial period	9,977,547	10,480,060
Cash and cash equivalents comprise:		
Cash and bank balances	16,704,875	16,843,761
Less: Deposits pledged as securities	(3,723,454)	(3,636,204)
Less: Deposits with licensed banks and other financial institutions with maturity of over 3 months	(1,648,019)	(1,500,000)
	11,333,402	11,707,557
Less: Bank overdrafts	(1,355,855)	(1,227,497)
	9,977,547	10,480,060

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 audited financial statements of the Group for the year ended 31 December 2018 and the accompanying explanatory notes to this interim financial report.

EVERSAFE RUBBER BERHAD (1133877 - V)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019

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 accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2018, except for the adoption of the following MFRS/ Amendments/ Interpretations effective 1 January 2019:

MFRS 16, Leases

IC Interpretation 23, Uncertainty over Income Tax Treatments

Amendments to MFRS 128, Long-Term Interests in Associates and Joint Ventures

Amendments to MFRS 9, Prepayment Features with Negative Compensation

Amendments to MFRS 3, Annual Improvements to MFRS Standards 2015 - 2017 Cycle

Amendments to MFRS 11, Annual Improvements to MFRS Standards 2015 - 2017 Cycle

Amendments to MFRS 112, Annual Improvements to MFRS Standards 2015 - 2017 Cycle

Amendments to MFRS 123, Annual Improvements to MFRS Standards 2015 - 2017 Cycle

Amendments to MFRS 119, Plan Amendment, Curtailment or Settlement

The Group has adopted the new and revised MFRSs that are relevant and effective for accounting periods beginning on or after 1 January 2019. The adoption of these new and revised MFRSs have not resulted in any material impact on the financial statements of the Group except as mentioned below:

MFRS 16, Leases

The Group applied MFRS 16 with effect from 1 January 2019, using the modified restrospective approach, with no restatement of comparative information in accordance with the transition requirements under the Appendix C, paragraph 5(b) of MFRS 16 and cumulative effect of initial application of MFRS 16 will be recognised as an adjustment to the opening balance of following components at 1 January 2019.

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A2. CHANGES IN ACCOUNTING POLICIES - con'd

The following table presents the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 Leases as at 1 January 2019:

<u>Group</u>	Balance as at 01.01.2019, as previously <u>reported</u> RM'000	<u>Changes</u> RM'000	Balance as at 01.01.2019 <u>as restated</u> RM'000
Non-current assets			
Right-of-use assets	-	4,540	4,540
Non-current liabilities			
Lease liabilities	-	3,689	3,689
Current liabilities			
Lease liabilities	-	1,035	1,035
Total lease liabilities	-	4,724	4,724
Equity			
Retained earnings	-	184	184

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

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

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:

	Individual Quarter				Cumulative Quarter			
	3 months ended		3 months ended		6 months ended		6 months ended	
	30.06.2019		30.06.2018		30.06.2019		30.06.2018	
	RM	%	RM	%	RM	%	RM	%
Revenue by geographical location:								
Malaysia	6,666,530	23.96	6,943,388	25.27	15,657,282	29.20	19,677,577	36.96
East Asia and Oceania	7,818,636	28.10	6,986,071	25.42	15,148,975	28.26	10,653,951	20.01
South East Asia	10,524,274	37.83	6,475,379	23.56	17,104,419	31.90	12,594,555	23.65
South Asia, Middle East & Africa	1,391,465	5.00	4,166,762	15.16	2,995,819	5.59	5,469,516	10.27
Americas	500,861	1.80	1,217,345	4.43	697,397	1.30	1,926,130	3.62
Europe	919,537	3.31	1,693,082	6.16	2,009,452	3.75	2,924,820	5.49
	<u>27,821,303</u>		<u>27,482,027</u>		<u>53,613,344</u>		<u>53,246,549</u>	
Sales by currency:								
USD	11,033,158	39.66	6,773,984	24.65	20,505,707	38.25	14,019,215	26.33
JPY	2,288,951	8.23	2,344,495	8.53	4,344,565	8.10	4,696,706	8.82
RM	6,666,530	23.96	6,943,388	25.27	15,657,282	29.20	19,677,577	36.96
Others	7,832,664	28.15	11,420,160	41.55	13,105,790	24.45	14,853,051	27.89
	<u>27,821,303</u>		<u>27,482,027</u>		<u>53,613,344</u>		<u>53,246,549</u>	
Average foreign exchange rates								
RM/USD	4.147		3.948		4.120		3.936	
RM/JPY100	<u>3.772</u>		<u>3.620</u>		<u>3.743</u>		<u>3.622</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

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019

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 RM27.82 million as compared to revenue of RM27.48 million for the preceding year's corresponding quarter. This is mainly due to the increase in the sales of tyre retreading materials.

The Group registered a profit before taxation of RM0.88 million for the current financial quarter under review as compared to the loss before taxation of RM0.41 million for the preceding year corresponding quarter. This is mainly due to higher gross profit margin.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 30.06.2019 RM	Preceding Quarter 31.03.2019 RM	Variance RM	%
Revenue	27,821,303	25,792,041	2,029,262	7.87
Profit/(Loss) before tax	<u>877,971</u>	<u>(690,664)</u>	<u>1,568,635</u>	<u>227.12</u>

The Group's revenue increased by 7.87% from RM25.79 million recorded in the immediate preceding quarter to RM27.82 million in the current financial quarter. This is mainly due to the increase in the sales of tyre retreading materials.

The profit before tax of the Group increased by RM1.57 million from loss of RM0.69 million in the previous financial quarter to profit of RM0.88 million in the current financial quarter which is mainly due to higher gross profit margin.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019
(con'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 South American project is not progressing as planned due to geo economic reasons. However, discussion is still in progress.

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.

Since the listing of Eversafe, the Group has made several notable achievements:-

- (i) the Group has successfully penetrated into more countries in the European region;
- (ii) the Group has completed the upgrading of its manufacturing facilities; and
- (iii) the Group has successfully developed new Off-The-Road (OTR) tread products and such products are currently offered to the market.

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 2019 will remain satisfactory.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019
(con'd)

B4. INCOME TAX EXPENSES

	Individual Quarter		Cumulative Quarter	
	3 months ended 30.06.2019 RM	3 months ended 30.06.2018 RM	6 months ended 30.06.2019 RM	6 months ended 30.06.2018 RM
Income tax expense:-				
Current financial period/year	29,032	82,835	39,032	105,391
Under provision in prior year	37,626	-	16,586	35,810
Deferred tax:-				
Current financial period/year	(15,502)	(81,987)	(406,809)	(368,906)
Under provision in prior year	-	-	405,178	369,248
Total tax expense	<u>51,156</u>	<u>848</u>	<u>53,987</u>	<u>141,543</u>

The applicable Malaysian income tax rate is 24% for the financial year ending 31 December 2019 (24% for the financial year ended 31 December 2018).

The Group's effective tax rate for the cumulative quarter 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019
(con'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 utilization upon listing
(a) New manufacturing lines and enhanced automation systems	12,580	(12,873)^	293	-	Within 24 months
(b) Establish intellectual property rights and overseas branding Initiative	1,500	(760)	-	740	Within 36 months
(c) Estimated listing expenses	3,200	(2,907)	(293)	-	Immediate
Total	17,280	(16,540)	-	740	

* Utilisation as at 30 June 2019.

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2019
(con'd)

B8. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowings (all of which are secured against the Group's assets) as at 30 June 2019 are as follows:-

	<u>Long term</u>		<u>As at 30.06.2019</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	2,406,207	9,946,057	2,406,207	9,946,057
Bankers' acceptance	-	-	-	10,679,000	-	10,679,000
Term loans	-	4,106,261	-	2,038,084	-	6,144,345
Hire purchase and lease creditors	-	706,267	-	421,524	-	1,127,791
Bank overdrafts	-	-	-	1,355,855	-	1,355,855
Total		4,812,528		24,440,520		29,253,048

	<u>Long term</u>		<u>As at 30.06.2018</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	1,876,559	7,576,605	1,876,559	7,576,605
Bankers' acceptance	-	-	-	11,755,000	-	11,755,000
Term loans	-	960,104	-	1,238,183	-	2,198,287
Hire purchase and lease creditors	-	416,472	-	260,061	-	676,533
Bank overdrafts	-	-	-	1,227,497	-	1,227,497
Total		1,376,576		22,057,346		23,433,922

B9. MATERIAL LITIGATION

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

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B10. DIVIDENDS

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

B11. EARNINGS PER SHARE

The basic and diluted earnings per share for the current financial quarter and current period of 30 June 2019 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM	RM	RM	RM
Basic				
Profit/(Loss) attributable to equity holders of the Company	<u>826,815</u>	<u>(410,945)</u>	<u>133,320</u>	<u>(342,930)</u>
Weighted average number of ordinary shares	<u>240,593,796</u>	<u>240,593,796</u>	<u>240,593,796</u>	<u>240,593,796</u>
Basic earnings per ordinary share (sen)	<u>0.34</u>	<u>(0.17)</u>	<u>0.06</u>	<u>(0.14)</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)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2019
(con'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 30.06.2019 RM	3 months Ended 30.06.2018 RM	6 months ended 30.06.2019 RM	6 months ended 30.06.2018 RM
Interest income	(32,248)	(27,070)	(64,062)	(54,263)
Other income including investment income	-	-	-	-
Interest expense	259,719	248,098	589,145	480,175
Depreciation of property, plant and equipment	981,672	1,060,129	2,484,471	2,128,214
Amortisation of intangible Assets	-	6,009	-	16,683
Bad debts written off	-	-	-	247
Inventories written down	-	-	-	-
Reversal of inventories written down	-	-	-	-
Gain on disposal of property, plant and equipment	-	(29,417)	(18,641)	(29,417)
Impairment of assets	-	-	-	-
Impairment loss on trade receivables	64,201	-	157,812	-
Reversal of impairment loss on trade receivables	(19,825)	-	(29,653)	-
Foreign exchange loss/ (gain) - net	196,135	208,494	330,683	645,220
Exceptional items	-	-	-	-