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EVERSAFE RUBBER

EVERSAFE RUBBER BERHAD

Company no: 201501008542 (1133877 - V)
(Incorporated in Malaysia)

CONSOLIDATED
RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019 ⁽¹⁾

	Individual Period (4th quarter)		Cumulative Period	
	Current Year Quarter 31.12.2019 RM	Preceding Year Corresponding Quarter 31.12.2018 RM	Current Year To-date 31.12.2019 RM	Preceding Year Corresponding Period 31.12.2018 RM
Revenue	29,577,310	28,508,835	116,613,906	112,263,426
Cost of sales	(24,458,540)	(24,822,736)	(98,155,892)	(96,429,235)
Gross profit	5,118,770	3,686,099	18,458,014	15,834,191
Other operating income	214,118	877,751	986,987	1,502,157
Distribution costs	(2,033,538)	(1,625,720)	(7,787,394)	(6,383,143)
General and administrative expenses	(2,676,907)	(2,153,297)	(8,050,688)	(8,751,797)
Profit from operations	622,443	784,833	3,606,919	2,201,408
Finance income	41,001	30,589	142,396	112,337
Finance costs	(870,273)	(249,172)	(1,770,674)	(969,676)
(Loss)/Profit before tax	(206,829)	566,250	1,978,641	1,344,069
Taxation	170,420	(285,566)	(370,216)	(496,724)
(Loss)/Profit for the financial period attributable to owners of the parent	(36,409)	280,684	1,608,425	847,345
Foreign currency translation, net of tax	(115,464)	48,517	24,000	140,721
Total comprehensive income, attributable to owners of the parent	(151,873)	329,201	1,632,425	988,066
Earnings per share attributable to owners of the parent:				
(Loss)/Profit for the financial period				
Basic and diluted (sen) ⁽²⁾⁽³⁾	(0.02)	0.12	0.67	0.35

EVERSAFE RUBBER BERHAD [COMPANY NO.: 201501008542 (1133877 - V)]
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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.: 201501008542 (1133877 - V)]

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 ⁽¹⁾**

	As at 31.12.2019 RM (Unaudited)	As at 31.12.2018 RM (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	38,628,529	39,274,465
Right-of-use assets	6,065,788	-
Intangible assets	1	1
Trade receivables	1,169,489	1,523,574
	45,863,807	40,798,040
Current assets		
Inventories	18,419,071	16,132,557
Trade and other receivables	24,763,119	25,662,715
Current tax assets	496,627	516,616
Cash and bank balances	19,254,670	13,119,845
	62,933,487	55,431,733
TOTAL ASSETS	108,797,294	96,229,773
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,428,449	65,428,449
Reserves	(3,725,692)	(5,117,669)
TOTAL EQUITY	61,702,757	60,310,780
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	4,128,627	3,950,874
Lease liabilities	5,069,165	-
Borrowings	4,624,915	1,103,941
	13,822,707	5,054,815
Current liabilities		
Trade and other payables	9,280,485	8,371,404
Lease liabilities	1,528,781	-
Borrowings	22,462,564	22,492,774
Current tax liabilities	-	-
	33,271,830	30,864,178
TOTAL LIABILITIES	47,094,537	35,918,993
TOTAL EQUITY AND LIABILITIES	108,797,294	96,229,773
Net assets per ordinary share (RM) ⁽²⁾	0.256	0.251

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 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.

EVERSAFE RUBBER BERHAD [COMPANY NO.: 201501008542 (1133877 - V)]
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019 ⁽¹⁾

	(Unaudited) 12 months ended 31.12.2019 RM	(Audited) 12 months ended 31.12.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,978,641	1,344,069
Adjustments for:		
Non-cash items/Non-operating items	4,263,746	4,980,291
	<hr/>	<hr/>
Operating profit before working capital changes	6,242,387	6,324,360
Changes in working capital:		
(Increase)/Decrease in inventories	(2,351,250)	213,776
Decrease/(Increase) in trade and other receivables	840,961	(1,012,713)
Decrease in trade and other payables	1,335,853	1,862,323
Others	186,855	69,585
	<hr/>	<hr/>
Cash generated from operations	6,254,806	7,457,331
Tax paid - net	(237,750)	(1,237,945)
	<hr/>	<hr/>
Net cash generated from operating activities	6,017,056	6,219,386
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	142,396	112,337
Proceeds from disposal of property, plant and equipment	164,097	671,665
Purchase of property, plant and equipment	(4,427,181)	(9,743,348)
Net cash used in investing activities	(4,120,688)	(8,959,346)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019 (con'd)

	(Unaudited) 12 months ended 31.12.2019 RM	(Audited) 12 months ended 31.12.2018 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(4,330,688)
Interest paid	1,770,674	(969,676)
Net drawdowns of bank borrowings	3,868,207	562,638
Decrease in short-term deposits pledged as securities	(92,042)	(231,694)
Net cash generated from/(used in) financing activities	5,546,839	(4,969,420)
Net increase/(decrease) in cash and cash equivalents	7,443,207	(7,709,380)
Effect of foreign exchange rates changes	(10,542)	(5,391)
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	13,335,136	5,902,471
Cash and cash equivalents comprise:		
Cash and bank balances	19,254,670	13,119,845
Less: Deposits pledged as securities	(3,780,998)	(3,665,937)
Less: Deposits with licensed banks and other financial institutions with maturity of over 3 months	(1,625,000)	(1,648,019)
	13,848,672	7,805,889
Less: Bank overdrafts	(513,536)	(1,903,418)
	13,335,136	5,902,471

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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 31.12.2018, 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	-	6,463	6,463
Non-current liabilities			
Deferred tax liabilities	3,951	(57)	3,894
Lease liabilities	-	1,304	1,304
	<u>3,951</u>	<u>1,247</u>	<u>5,198</u>
Current liabilities			
Lease liabilities	-	5,456	5,456
Total liabilities	<u>-</u>	<u>6,703</u>	<u>6,703</u>
Equity			
Retained earnings	<u>32,902</u>	<u>(240)</u>	<u>32,662</u>

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		12 months ended		12 months ended	
	31.12.2019		31.12.2018		31.12.2019		31.12.2018	
	RM	%	RM	%	RM	%	RM	%
Revenue by geographical location:								
Malaysia	9,067,970	30.66	14,686,539	51.52	33,927,122	29.09	44,063,897	39.25
East Asia and Oceania	7,952,260	26.89	7,150,294	25.08	33,715,022	28.91	26,934,117	23.99
South East Asia	9,675,514	32.71	2,317,715	8.13	37,863,008	32.47	23,270,458	20.73
South Asia, Middle East & Africa	1,450,129	4.90	2,058,587	7.22	5,485,098	4.71	9,396,323	8.37
Americas	113,782	0.39	1,624,739	5.70	1,049,038	0.90	4,187,195	3.73
Europe	1,317,655	4.45	670,961	2.35	4,574,618	3.92	4,411,436	3.93
	<u>29,577,310</u>		<u>28,508,835</u>		<u>116,613,906</u>		<u>112,263,426</u>	
Sales by currency:								
USD	10,353,713	35.01	10,356,229	36.33	44,103,938	37.82	32,759,518	29.18
JPY	2,438,477	8.24	1,969,076	6.90	10,496,163	9.00	11,578,042	10.31
RM	9,067,970	30.66	14,686,539	51.52	33,927,122	29.09	44,063,897	39.25
Others	7,717,150	26.09	1,496,991	5.25	28,086,683	24.09	23,861,969	21.26
	<u>29,577,310</u>		<u>28,508,835</u>		<u>116,613,906</u>		<u>112,263,426</u>	
Average foreign exchange rates								
RM/USD	4.165		4.171		4.143		4.035	
RM/JPY100	<u>3.832</u>		<u>3.698</u>		<u>3.800</u>		<u>3.653</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

Authorised capital expenditure not provided for in the financial statements	RM '000
- Contracted	<u>3,000</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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 RM29.58 million as compared to revenue of RM28.51 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 loss before taxation of RM0.21 million for the current financial quarter under review as compared to the profit before taxation of RM0.57 million for the preceding year corresponding quarter. This is mainly due to losses in foreign exchange and adoption of MFRS 16 requires depreciation be charged on the right-of-use assets and interest expenses on lease liability instead of lease rental expenses to be charged out in profit and loss.

Current Year-To-Date vs Previous Year-To-Date

The Group achieved revenue of RM116.61 million for the financial year under review as compared to revenue of RM112.26 million for the preceding financial year. This is mainly due to the increase in sales of tyre retreading materials.

The Group recorded a profit before taxation of RM1.98 million for the financial year as compared to the preceding year's profit before taxation of RM1.34 million. This is mainly due to improved sales and higher gross profit margin.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31.12.2019 RM	Preceding Quarter 30.09.2019 RM	Variance RM	%
Revenue	29,577,310	33,423,252	(3,845,942)	(11.51)
(Loss)/Profit before tax	<u>(206,829)</u>	<u>1,998,163</u>	<u>(2,204,992)</u>	<u>(110.35)</u>

The Group's revenue decreased by 11.51% from RM33.42 million recorded in the immediate preceding quarter to RM29.58 million in the current financial quarter. This is mainly due to the lower sales of tyre retreading materials.

The profit before tax of the Group decreased by RM2.20 million from profit of RM2.00 million in the previous financial quarter to loss of RM0.21 million in the current financial quarter which is mainly due to losses in foreign exchange and adoption of MFRS 16 requires depreciation be charged on the right-of-use assets and interest expenses on lease liability instead of lease rental expenses to be charged out in profit and loss.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019 (con'd)

B3. COMMENTARY ON PROSPECTS

Since the listing of Eversafe, the Group has completed the upgrading of its manufacturing facilities which included more automation and increased capacity. The Group has also successfully developed new Off-The-Road (OTR) treads products and such products are currently being offered to the market.

Currently, the Group has successfully penetrated into more markets in the European region. The Group plans to further increase its export sales and geographical footprint to various overseas market, primarily outside the ASEAN region. The Board has decided not to pursue further on the South American project. The Group's retreading and rubber compounding business are expected to be challenging on several fronts, but necessary measures to break into new export markets for rubber compounds coupled with tighter cost and credit control have been implemented to mitigate the challenges ahead.

Being in the export business, the Group is exposed to foreign currency exchanges 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 2020 will remain satisfactory.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019 (con'd)

B4. INCOME TAX EXPENSES

	Individual Quarter		Cumulative Quarter	
	3 months ended 31.12.2019 RM	3 months ended 31.12.2018 RM	12 months ended 31.12.2019 RM	12 months ended 31.12.2018 RM
Income tax expense:-				
Current financial period/year	(379,600)	249,659	247,134	424,665
Over provision in prior year	(52,978)	(172,742)	(112,176)	(136,932)
Deferred tax:-				
Current financial period/year	330,394	(45,830)	(101,684)	(414,736)
Over/(Under) provision in prior year	(68,236)	254,479	336,942	623,727
Total tax expense	<u>(170,420)</u>	<u>285,566</u>	<u>370,216</u>	<u>496,724</u>

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

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 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	(776)	(724)	-	Within 36 months
(c) Estimated listing expenses	3,200	(2,907)	(293)	-	Immediate
Total	17,280	(16,556)	(724)@	-	

* Utilisation as at 31 December 2019.

All listing expenses have been fully paid. Accordingly, the balance of RM0.293 million has been 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.

@ The initiative to establish intellectual property rights and overseas branding have been completed. Accordingly, the utilised balance of RM0.724 million has been transferred to the working capital of the Company.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 31 December 2019 are as follows:-

	<u>Long term</u>		<u>As at 31.12.2019</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	1,861,148	7,617,679	1,861,148	7,617,679
Bankers' acceptance	-	-	-	12,724,000	-	12,724,000
Term loans	-	3,881,954	-	1,240,566	-	5,122,520
Hire purchase and lease creditors	-	742,961	-	366,783	-	1,109,744
Bank overdrafts	-	-	-	513,536	-	513,536
Total		4,624,915		22,462,564		27,087,479

	<u>Long term</u>		<u>As at 31.12.2018</u> <u>Short term</u>		<u>Total borrowings</u>	
	USD	RM	USD	RM	USD	RM
Secured:						
Bankers' acceptance	-	-	2,372,463	9,812,506	2,372,463	9,812,506
Bankers' acceptance	-	-	-	9,086,000	-	9,086,000
Term loans	-	293,253	-	1,287,581	-	1,580,834
Hire purchase and lease creditors	-	810,688	-	403,269	-	1,213,957
Bank overdrafts	-	-	-	1,903,418	-	1,903,418
Total		1,103,941		22,492,774		23,596,715

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 2019 (con'd)

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 31 December 2019 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM	RM	RM	RM
Basic				
(Loss)/Profit attributable to equity holders of the Company	<u>(36,409)</u>	<u>280,684</u>	<u>1,608,425</u>	<u>847,345</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>(0.02)</u>	<u>0.12</u>	<u>0.67</u>	<u>0.35</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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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 31.12.2019 RM	3 months ended 31.12.2018 RM	12 months ended 31.12.2019 RM	12 months ended 31.12.2018 RM
Interest income	(41,001)	(30,589)	(142,396)	(112,337)
Other income including investment income	-	-	-	-
Interest expense	870,273	249,172	1,770,674	969,676
Depreciation of property, plant and equipment	2,795,773	1,143,617	6,432,607	4,369,844
Amortisation of intangible assets	-	6,010	-	28,699
Bad debts written off	-	-	-	247
Inventories written down	27,450	54,445	27,450	54,445
Reversal of inventories written down	-	-	-	-
Gain on disposal of property, plant and equipment	-	(273,405)	(18,641)	(351,817)
Impairment of assets	-	-	-	-
Impairment loss on trade receivables	122,040	577,686	376,819	737,236
Reversal of impairment loss on trade receivables	(38,723)	(232,796)	(75,952)	(232,796)
Foreign exchange loss/(gain) - net	692,143	(1,241,502)	186,508	(48,765)
Exceptional items	-	-	-	-