

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012

	Three Months Ended		Period To Date Ended	
	31-Mar-12 RM'000	31-Mar-11 RM'000 (Restated)	31-Mar-12 RM'000	31-Mar-11 RM'000 (Restated)
Continuing Operations				
Revenue	<u>29,839</u>	<u>25,885</u>	<u>29,839</u>	<u>25,885</u>
Operating profit	2,369	2,547	2,369	2,547
Interest expense	(755)	(816)	(755)	(816)
Interest income	-	4	-	4
Share of (loss)/profit after tax of equity accounted associates	(113)	26	(113)	26
Profit before tax	<u>1,501</u>	<u>1,761</u>	<u>1,501</u>	<u>1,761</u>
Tax expense	(224)	(108)	(224)	(108)
Profit after tax from continuing operations	<u>1,277</u>	<u>1,653</u>	<u>1,277</u>	<u>1,653</u>
Other comprehensive income	57	-	57	-
Total comprehensive income	<u>1,334</u>	<u>1,653</u>	<u>1,334</u>	<u>1,653</u>
Profit after tax attributable to:				
Owners of parent	1,278	1,653	1,278	1,653
Non-controlling interests	(1)	-	(1)	-
	<u>1,277</u>	<u>1,653</u>	<u>1,277</u>	<u>1,653</u>
Total comprehensive income attributable to:				
Owners of parent	1,334	1,653	1,334	1,653
Non-controlling interests	-	-	-	-
	<u>1,334</u>	<u>1,653</u>	<u>1,334</u>	<u>1,653</u>
Earnings per share attributable to owners of the Company				
Basic earnings per share (sen)	<u>0.75</u>	<u>0.97</u>	<u>0.75</u>	<u>0.97</u>
Diluted earnings per share (sen)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2011.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2012

	Unaudited 31-Mar-12 RM'000	Audited 31-Dec-11 RM'000 (Restated)	Audited 01-Jan-11 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	101,231	100,162	118,663
Investment properties	30,571	29,044	6,489
Investment in associates	2,711	2,824	3,335
Deferred tax assets	1,624	1,625	2,267
	136,137	133,655	130,754
Current assets			
Trade and other receivables	22,956	25,302	15,831
Inventories	48,348	53,962	59,831
Current tax assets	61	263	174
Cash and cash equivalents	2,291	2,942	7,412
	73,656	82,469	83,248
Assets classified as held for sale	22,801	22,145	-
TOTAL ASSETS	232,594	238,269	214,002
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	85,585	85,585	85,585
Treasury share, at cost	(293)	(293)	-
Share premium	1,549	1,549	1,549
Share option reserve	790	790	792
Translation reserve	108	51	81
Statutory reserve	102	102	102
Retained earnings	56,748	55,470	50,250
	144,589	143,254	138,359
Non-controlling interests	151	152	-
TOTAL EQUITY	144,740	143,406	138,359
LIABILITIES			
Non-current liabilities			
Loans and borrowings	22,130	24,176	20,234
Deferred tax liabilities	3,016	3,029	3,029
	25,146	27,205	23,263
Current liabilities			
Trade and other payables	15,096	14,820	12,751
Loans and borrowings	47,167	52,385	39,629
Current tax liabilities	445	453	-
	62,708	67,658	52,380
TOTAL LIABILITIES	87,854	94,863	75,643
TOTAL EQUITY AND LIABILITIES	232,594	238,269	214,002
Net assets per share (RM)	0.85	0.84	0.81

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2011.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	← Non-distributable				→ Distributable			Total attributable to owner of the parent	Non- controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Share option reserve	Statutory reserve	Translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2011, as previously stated	85,585	1,549	-	792	102	81	42,266	130,375	-	130,375
- prior year adjustment	-	-	-	-	-	-	(5,471)	(5,471)	-	(5,471)
- effects of the adoption of MFRSs	-	-	-	-	-	-	13,455	13,455	-	13,455
Balance at 1 January 2011, as restated	85,585	1,549	-	792	102	81	50,250	138,359	-	138,359
Profit for the period	-	-	-	-	-	-	1,653	1,653	-	1,653
Foreign exchange translation differences	-	-	-	-	-	(15)	-	(15)	-	(15)
Total comprehensive income for the period	-	-	-	-	-	(15)	1,653	1,638	-	1,638
Balance at 31 March 2011, as restated	85,585	1,549	-	792	102	66	51,903	139,997	-	139,997
Balance at 1 January 2012, as previously stated	85,585	1,549	(293)	790	102	51	42,157	129,941	152	130,093
- effects of the adoption of MFRSs	-	-	-	-	-	-	13,313	13,313	-	13,313
Balance at 1 January 2012, as restated	85,585	1,549	(293)	790	102	51	55,470	143,254	152	143,406
Profit for the period	-	-	-	-	-	-	1,278	1,278	(1)	1,277
Foreign exchange translation differences	-	-	-	-	-	57	-	57	-	57
Total comprehensive income for the period	-	-	-	-	-	57	1,278	1,335	(1)	1,334
Balance at 31 March 2012, as restated	85,585	1,549	(293)	790	102	108	56,748	144,589	151	144,740

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2011.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2012

	Period ended	
	31-Mar-12 RM'000	31-Mar-11 RM'000
Cash flows from operating activities		
Profit after tax from continuing operations	1,501	1,761
Adjustments for:		
Depreciation of property, plant and equipment	1,862	1,952
Depreciation of investment properties	-	19
Depreciation of assets held for sale	88	-
Interest expense	755	816
Interest income	-	(4)
Share of loss after tax of equity accounted associates	113	(26)
Gain on disposal of plant and equipment	(2)	-
Operating profit before changes in working capital	4,317	4,518
Changes in working capital:		
Inventories	5,614	(3,778)
Trade and other receivables	2,346	(6,288)
Trade and other payables	276	4,534
Cash generated from/(used in) operations	12,553	(1,014)
Tax paid	(41)	(122)
Net cash generated from / (used in) operating activities	12,512	(1,136)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,951)	(7,434)
Purchase of assets held for sale	(744)	-
Purchase of investment property	(1,528)	(85)
Interest received	-	4
Proceeds from disposal of plant and equipment	21	-
Net cash used in investing activities	(5,202)	(7,515)
Cash flows from financing activities		
Short term borrowings, net	(3,171)	3,380
Drawdown of term loans	-	2,485
Repayment of term loans	(2,195)	(1,776)
Repayment of hire purchase liabilities	(72)	(64)
Interest paid	(755)	(816)
Net cash generated (used in) / from financing activities	(6,193)	3,209
Net increase / (decrease) in cash and cash equivalents	1,117	(5,442)
Effect of exchange rate changes	57	(15)
Cash and cash equivalents at beginning of period	(3,563)	2,396
Cash and cash equivalents at end of financial period	(2,389)	(3,061)

Notes:

A) Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise :

Cash & bank balances	2,291	3,613
Deposits with licensed banks (excluding deposits pledged)	-	200
Bank overdrafts	(4,680)	(6,874)
	(2,389)	(3,061)

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2011.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

A. DISCLOSURE REQUIREMENTS PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

1. Basis of preparation

The condensed consolidated interim financial report is unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First –Time Adoption of Malaysian Financial Reporting Standards* (“MFRS”) has been applied.

The date of transition to the MFRS framework is on 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2 below.

2. Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards (“FRS”). As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing the condensed report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as described below:-

Property, plant and equipment

Under FRSs, the Group measured its land and buildings at cost. Upon transition to MFRSs, the Group elected to apply the optional exemption to use that fair value at the date of transition as deemed cost under MFRSs. The revaluation surplus at 1 January 2011 was transferred to retained earnings.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
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2. Significant Accounting Policies (Cont'd)

(a) Reconciliation of Comprehensive Income for the period ended 31 March 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Operating profit	2,595	(48)	2,547
Tax expense	(121)	13	(108)

(b) Reconciliation of Statement of Financial Position as at 1 January 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Property, plant and equipment	104,873	13,790	118,663
Deferred tax liabilities	(2,694)	(335)	(3,029)
Retained earnings	36,795	13,455	50,250

(c) Reconciliation of Statement of Financial Position as at 31 December 2011

	As previously reported RM'000	Effects of transition to MFRSs RM'000	As restated RM'000
Property, plant and equipment	90,749	9,413	100,162
Investment properties	24,859	4,185	29,044
Deferred tax liabilities	(2,744)	(285)	(3,029)
Retained earnings	42,157	13,313	55,470

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2. Significant Accounting Policies (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Value Measurement
- MFRS 119, Employee Benefits (Revised)
- MFRS 127, Separate Financial Statements
- MFRS 128, Investments in Associates and Joint Ventures
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

4. Seasonality of operations

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period-to-date.

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**SELECTED EXPLANATORY NOTES
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6. Material changes in estimates

There were no changes in estimates that have a material effect in the current financial period-to-date.

7. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

8. Dividends paid

No dividend was paid by the Company during the current quarter under review.

9. Segment revenue and results

Segmental reporting for the financial period-to-date is as below:-

Period-to-date ended 31-Mar-12	Machinery and equipment RM'000	Steel product and trading activity RM'000	Property, investment holding and others RM'000	Total RM'000
Total revenue	15,548	20,018	-	35,566
Inter-segment revenue	(2,590)	(3,137)	-	(5,727)
External revenue	12,958	16,881	-	29,839
Interest income	-	-	-	-
Interest expense	170	579	6	755
Depreciation and amortisation	219	1,728	3	1,950
Share of results of associates	-	-	(113)	(113)
Segment profit/(loss)	3,720	(2,259)	40	1,501

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**SELECTED EXPLANATORY NOTES
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9. Segment revenue and results (cont'd)

Period-to-date ended 31-Mar-11(Restated)	Machinery and equipment RM'000	Steel product and trading activity RM'000	Property, investment holding and others RM'000	Total of all segments RM'000
External revenue	3,040	27,315	7	30,362
Inter-segment revenue	-	(4,477)	-	(4,477)
Total revenue	3,040	22,838	7	25,885
Interest income	2	2	-	4
Interest expense	296	425	95	816
Depreciation and amortisation	204	1,733	34	1,971
Share of results of associates	-	-	26	26
Segment profit/(loss)	(867)	2,661	(33)	1,761

10. Material events subsequent to the end of the reporting period

There were no material events as at the date of this announcement save as below:-

- Purchase of all that piece of land described provisionally as Lot No. 19 consisting of total area measuring approximately 688,248 sq ft by Eonmetall Agro Sdn. Bhd., a wholly-owned subsidiary of the Company from POIC Sabah Sdn. Bhd. for a total consideration of RM8,258,976.00 on 2 May 2012.
- Disposal of all that piece of freehold industrial land known as Lot No. 385, Mukim 12, Daerah Seberang Perai Selatan, Penang comprised in Geran No. 33124 together with a three storey office building annexed with a single storey factory building erected thereon bearing assessment address Lot No. 385, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang for a total cash consideration of RM26,000,000.00 on 7 May 2012.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period-to-date.

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**SELECTED EXPLANATORY NOTES
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12. Changes in contingent liabilities or contingent assets

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>207,546</u>	<u>207,546</u>

13. Capital commitments

The capital commitments as at 31 March 2012 was as follows:-

	As at 31.03.2012 RM'000
Approved but not contracted for	<u>15,933</u>
Contracted but not provided for	<u>1,190</u>

14. Related Party Transactions

Below are transactions with companies in which a Director and his spouse have controlling interests and persons connected to them.

	Period ended 31.03.2012 RM'000
Rental of premise	129
Sale of goods	12,737
Purchase of goods	<u>1,816</u>

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING
REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

15. Review of performance

The Group's revenue for the first quarter ended 31 March 2012 increased by 15.1% from RM25.9 million reported in the corresponding preceding period in the prior financial year to RM29.8 million. This is mainly attributed by the higher revenue generated from machinery and equipment segment.

The Group's profit before tax ("PBT") for the first quarter is RM1.5 million, declined by 16.7% as compared to the preceding year corresponding quarter of RM1.8 million (restated). The performance of the operating business segment for the first quarter as compared to the preceding year corresponding quarter is analysed as follows:-

(a) Machinery and equipment segment

This segment recorded a revenue of RM13.0 million for the current quarter as compared to RM3.0 million achieved in the previous year corresponding quarter, representing an increase of 333%. PBT earned from this segment turn from a loss before tax of RM0.9 million to a profit before tax of RM3.7 million mainly driven by substantial increased in revenue and also the improved margin for the current quarter under review.

(b) Steel product and trading activity segment

The revenue for the current quarter is RM16.9 million, representing a decrease of RM5.9 million (from RM22.8 million down to RM16.9 million) as compared to the corresponding quarter preceding year. The PBT contributed from this segment dropped from RM2.7 million to a loss before tax of RM2.3 million mainly attributed by lower revenue generated from iron ore trading activity and higher steel raw material cost.

(c) Property, investment holding and other segment

The income derived from this segment represents rental income derived from the Group's properties offsetting with the operating expenses from all other segments.

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**SELECTED EXPLANATORY NOTES
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16. Variation of results against preceding quarter

	Individual quarter ended	
	31.03.2012	31.12.2011
	RM'000	RM'000 (Restated)
Revenue	29,839	43,354
Profit before tax ("PBT")	1,501	1,037

The Group recorded a current quarter profit before tax ("PBT") of RM1.5 million, an increased of RM0.5 million over the preceding quarter primarily due to higher sale generated from machinery and equipment segment which generally yields a higher profit margin. The lower PBT in preceding quarter is attributed to the provision of bonus and incentive of RM0.8 million and the allowance for doubtful debts of RM0.3 million.

17. Commentary of prospects

Barring any unforeseen circumstances, the Board of Directors of Eonmetall anticipates the performance of the Group for the financial year 2012 to be improved.

The Group foresees the performance of the steel product segment for the financial year shall remain challenging due to the uncertainties in the global market coupled with the delay of national steel policy liberalization. Notwithstanding this adversity, the Group will continue to focus on cost rationalisation and production efficiency to enhance its competitive edge.

Under the machinery and equipment division, realising the potentials from the patented Palm Fibre Oil Extraction ("PFOE") technology in both Malaysia and Indonesia markets, the Group has identified the oil palm industry as its main business focus going forward. The PFOE plants are expected to be main revenue contributor to the Group and to further provide the Group with an opportunity to undertake research and development on oil palm downstream activities.

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18. Profit forecast

The Group did not publish any profit forecast in a public documents in the current financial period-to-date.

19. Notes to the Condensed Consolidated Statement of Comprehensive Income

Save as disclosed below and included in the consolidated income statements, there were no other items applicable to be disclosed pursuant to item 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia:

	3 months ended 31.03.2012 RM'000	Period ended 31.03.2012 RM'000
Other income	(742)	(742)
Depreciation of property, plant and equipment	1,862	1,862
Depreciation of asset held for sale	88	88
Gain on disposal of property, plant and equipment	(2)	(2)
Net loss on foreign exchange	190	190

20. Taxation

	3 months ended 31.03.2012 RM'000	Period to date ended 31.03.2012 RM'000
Current tax expense	(237)	(237)
Deferred tax expense	13	13
	<u>(224)</u>	<u>(224)</u>

The Group's effective tax rate for the current period and financial period to-date are lower than the statutory rate of tax applicable mainly due to utilization of tax incentives by certain subsidiaries of the Group.

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There were no corporate proposals announced but not completed as at the date of this announcement.

22. Group borrowings

The Group's borrowings as at the end of the current reporting period are as follows: -

	Payable within 12 months	Payable after 12 months
	RM' 000	RM' 000
RM denominated borrowings		
<u>Secured</u>		
Term loans	8,233	21,307
Hire purchases	275	823
	8,508	22,130
<u>Unsecured</u>		
Bank overdrafts	4,680	-
Bankers' acceptances	30,188	-
Revolving credit	2,500	-
	37,368	-
Total RM denominated borrowing	45,876	22,130
USD denominated borrowings		
<u>Unsecured</u>		
Trade loan	1,291	-
Total borrowings	47,167	22,130

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23. Changes in material litigation

There was no material litigation as at the date of the interim financial statements apart from:

Eonmetall Industries Sdn Bhd vs (1) Lai Chin Yang (2) Megasteel Sdn Bhd (Transferred and registered in Kuala Lumpur High Court as Civil Suit No. 22NCVC-513-2011)

Eonmetall Industries Sdn. Bhd. (“EMI”), a wholly-owned subsidiary of the Company had via its solicitors filed a Writ of Summons in the High Court in Pulau Pinang (“Court”) against Mr. Lai Chin Yang and Megasteel Sdn. Bhd. (“Defendants”).

In the Writ, EMI has claimed for general damages and exemplary damages amounting to RM20 million to be paid jointly and severally by the Defendants over the slander or defamatory statement made against EMI. Details of the claims are as follows:

- i) General damages of RM10 million;
- ii) Exemplary damages of RM10 million;
- iii) Interest rate of 8% per annum from 22 April 2010;
- iv) Defendants to pay EMI’s cost of the legal proceeding on indemnity basis; and
- v) Other relief deemed fair by the Court.

The defendants have counter-claimed on the basis that the defamation suit is an abuse of the court process.

The trial of the matter proceeded before the Kuala Lumpur High Court on the 9th and 10th of May 2012 and now adjourned to 4th and 5th of June 2012 for continue hearing.

24. Dividends

The Board of Eonmetall had on 23 February 2012 recommended a final dividend of 5.0% tax exempt in respect of the financial year ended 31 December 2011 subject to the approval of the shareholders at the forthcoming Annual General Meeting. The final dividend if approved by the shareholders at Annual General Meeting, will be paid on 26 July 2012 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 29 June 2012.

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**SELECTED EXPLANATORY NOTES
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25. Realized and Unrealized Profits/Losses

The following analysis of realized and unrealized retained profits/(accumulated losses) is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realized and Unrealized Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000 (Restated)
Total retained profits of Eonmetall Group Berhad and its subsidiaries:		
- Realized	114,881	112,369
- Unrealized	(2,131)	(1,438)
Total share of retained profits from associated companies:		
- Realized	1,270	1,384
- Unrealized	-	-
Total share of retained profits from jointly controlled entities:		
- Realized	-	-
- Unrealized	-	-
Less: Consolidation adjustments	(57,272)	(56,845)
Total Group retained profits as per consolidation accounts	<u>56,748</u>	<u>55,470</u>

EONMETALL GROUP BERHAD
 (Company No. 631617-D)
 (Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES
 TO THE INTERIM FINANCIAL REPORT
 FOR THE PERIOD ENDED 31 MARCH 2012**

26. Earnings per share

The earnings per share were computed based on the net profit divided by the weighted average number of shares in issue net of treasury shares:

	Three months ended	Period to date ended
	31.03.2012	31.03.2012
Profit after tax attributable to owners of the Company (RM'000)	1,278	1,278
Basic :		
Weighted average number of shares in issue ('000)	170,161	170,161
Basic earnings per share (sen)	<u>0.75</u>	<u>0.75</u>
Diluted :		
Diluted earnings per share (sen)	<u>NA</u>	<u>NA</u>

Fully diluted earnings per share has not been calculated and presented as the effect of the employees' share options is anti-dilutive.

By order of the Board

Dato Goh Cheng Huat
 Managing Director

DATED THIS 28th May 2012