

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013**

	Three Months Ended		Period Ended	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
Continuing Operations				
Revenue	<u>21,466</u>	<u>29,839</u>	<u>21,466</u>	<u>29,839</u>
Operating profit	1,407	2,369	1,407	2,369
Interest expense	(937)	(755)	(937)	(755)
Interest income	1	-	1	-
Share of loss after tax of equity accounted associates	-	(113)	-	(113)
Profit before tax	<u>471</u>	<u>1,501</u>	<u>471</u>	<u>1,501</u>
Tax expense	(131)	(224)	(131)	(224)
Profit after tax from continuing operations	<u>340</u>	<u>1,277</u>	<u>340</u>	<u>1,277</u>
Other comprehensive (expenses)/income	(81)	57	(81)	57
Total comprehensive income	<u>259</u>	<u>1,334</u>	<u>259</u>	<u>1,334</u>
Profit after tax attributable to:				
Owners of parent	343	1,278	343	1,278
Non-controlling interests	(3)	(1)	(3)	(1)
	<u>340</u>	<u>1,277</u>	<u>340</u>	<u>1,277</u>
Total comprehensive income attributable to:				
Owners of parent	259	1,334	259	1,334
Non-controlling interests	-	-	-	-
	<u>259</u>	<u>1,334</u>	<u>259</u>	<u>1,334</u>
Earnings per share attributable to owners of the Company				
Basic earnings per share (sen)	<u>0.20</u>	<u>0.75</u>	<u>0.20</u>	<u>0.75</u>
Diluted earnings per share (sen)	<u>0.20</u>	<u>0.75</u>	<u>0.20</u>	<u>0.75</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 2012.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2013

	Unaudited 31-Mar-13 RM'000	Audited 31-Dec-12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	108,138	108,988
Investment properties	30,301	30,373
Investment in associates	-	2,353
Deferred tax assets	1,625	1,625
	<u>140,064</u>	<u>143,339</u>
Current assets		
Trade and other receivables	29,850	28,384
Inventories	44,361	47,769
Current tax assets	333	333
Cash and cash equivalents	1,861	1,245
	<u>76,405</u>	<u>77,731</u>
Assets classified as held for sale	<u>22,940</u>	<u>22,940</u>
TOTAL ASSETS	<u>239,409</u>	<u>244,010</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	85,585	85,585
Treasury share, at cost	(779)	(779)
Share premium	1,549	1,549
Share option reserve	742	742
Statutory reserve	-	102
Translation reserve	40	121
Retained earnings	56,605	56,262
	<u>143,742</u>	<u>143,582</u>
Non-controlling interests	336	339
TOTAL EQUITY	<u>144,078</u>	<u>143,921</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	14,980	16,514
Deferred tax liabilities	3,192	3,205
	<u>18,172</u>	<u>19,719</u>
Current liabilities		
Trade and other payables	24,387	21,673
Loans and borrowings	52,677	58,574
Current tax liabilities	95	123
	<u>77,159</u>	<u>80,370</u>
TOTAL LIABILITIES	<u>95,331</u>	<u>100,089</u>
TOTAL EQUITY AND LIABILITIES	<u>239,409</u>	<u>244,010</u>
	-	-
Net assets per share (RM)	<u>0.85</u>	<u>0.84</u>

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 2012.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

	←————— Non-distributable —————→				—————→ Distributable		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	
Balance at 1 January 2012	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	85,585	1,549	(293)	790	102	108	56,748	144,589	151	144,740
Balance at 1 January 2013	85,585	1,549	(779)	742	102	121	56,262	143,582	339	143,921
Profit for the period	-	-	-	-	-	-	343	343	(3)	340
Foreign exchange translation differences	-	-	-	-	-	(81)	-	(81)	-	(81)
Total comprehensive income for the period	-	-	-	-	-	(81)	343	262	(3)	259
Statutory reserve - associates	-	-	-	-	(102)	-	-	(102)	-	(102)
Balance at 31 March 2013	85,585	1,549	(779)	742	-	40	56,605	143,742	336	144,078

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 2012.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

	Period ended	
	31-Mar-13 RM'000	31-Mar-12 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	471	1,501
Adjustments for:		
Depreciation of property, plant and equipment	1,376	1,862
Depreciation of assets held for sale	-	88
Depreciation of investment property	96	-
Interest expense	937	755
Interest income	(1)	-
Share of loss after tax of equity accounted associates	-	113
Gain on disposal of subsidiary	(338)	-
Gain on disposal of plant and equipment	(5)	(2)
Operating profit before changes in working capital	2,536	4,317
Changes in working capital:		
Inventories	3,408	5,614
Trade and other receivables	487	2,346
Trade and other payables	3,281	276
Cash generated from operations	9,712	12,553
Tax paid	(171)	(41)
Net cash generated from operating activities	9,541	12,512
Cash flows from investing activities		
Purchase of property, plant and equipment	(526)	(2,951)
Purchase of assets held for sale	-	(744)
Purchase of investment property	(24)	(1,528)
Interest received	1	-
Proceeds from disposal of plant and equipment	5	21
Net cash used in investing activities	(544)	(5,202)
Cash flows from financing activities		
Short term borrowings, net	(5,012)	(3,171)
Repayment of term loans	(2,089)	(2,195)
Repayment of hire purchase liabilities	(100)	(72)
Interest paid	(937)	(755)
Net cash used in financing activities	(8,138)	(6,193)
Net increase in cash and cash equivalents	859	1,117
Effect of exchange rate changes	(12)	57
Cash and cash equivalents at beginning of period	(5,094)	(3,563)
Cash and cash equivalents at end of financial period	(4,247)	(2,389)
	0	

Notes:

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

Cash & bank balances	1,861	2,291
Bank overdrafts	(6,108)	(4,680)
	(4,247)	(2,389)

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 2012.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013

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 2012. 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 2012.

2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2012 except for the adoption of the following MFRSs and Amendment to MFRSs and Interpretation:-

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 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (Revised)
- MFRS 127, Separate Financial Statements
- MFRS 128, Investments in Associates and Joint Ventures
- Amendment to MFRS 1 Government Loans
- Amendment to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013

2. Significant Accounting Policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 2 January 2013 (cont'd)

- Amendment to MFRSs Annual Improvements 2009-2011 Cycle
- Amendment to MFRS 10, MFRS 11 and MFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- 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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9 and Transition Disclosures (Mandatory Effective Date on 1 January 2015)
- MFRS 9 Financial Instruments

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2012 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 TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013

6. Material changes in estimates

There were no changes in estimates that have a material effect in the financial period-to-date save as below:-

During the financial quarter under review, the Group reviewed the estimated useful life of the plant and machinery and had extended the estimated useful life of certain plant and machinery with effect from 1 January 2013. The revisions were accounted for prospectively as changes in accounting estimates and as a result, the depreciation charges of the Group for current quarter have been decreased by RM0.5 million.

The principal annual depreciation rates for plant and machinery were changed from 10% to a range from 5% - 10% with effect from 1 January 2013.

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-March-13	Machinery and equipment RM'000	Steel product and trading activity RM'000	Property, investment holding and others RM'000	Total RM'000
Total revenue	9,958	13,105	1	23,064
Inter-segment revenue	-	(1,598)	-	(1,598)
External revenue	9,958	11,507	1	21,466
Interest income	-	1	-	1
Interest expense	250	470	217	937
Depreciation and amortisation	252	1,034	186	1,472
Share of results of associates	-	-	-	-
Segment profit/(loss)	1,231	(341)	(419)	471

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013****9. Segment revenue and results (cont'd)**

Period-to-date ended 31-March-12	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
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

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

There were no material events subsequent to the end of the quarter under review which has not been reflected in this interim financial report.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period-to-date save as below:-

On 14 January 2013, the Company had entered into an agreement with Corporate Cosmo Sdn Bhd for the disposal of all its 100% equity interest representing 2 ordinary shares of RM1 each in Eonmetall Petro-Chem (M) Sdn Bhd (EPCSB) for a total cash consideration of RM2,000,002. Following the disposal, EPCSB ceased to be a wholly owned subsidiary of the Company.

12. Changes in contingent liabilities or contingent assets

	As at 31.03.13 RM'000	As at 31.12.2012 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	204,252	204,252

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

13. Capital commitments

The capital commitments as at 31 March 2013 was as follows:-

	As at 31.03.2013 RM'000
Contracted but not provided for	<u>7,673</u>

14. Related Party Transactions

Below are transactions with companies in which a Director / his spouse and persons connected to them having controlling interests during the financial period ended 31 March 2013.

	Period ended 31.03.2013 RM'000
Rental of premises	129
Sale of goods	616
Purchase of goods	<u>19</u>

**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 2013 decreased by 28% from RM29.8 million down to RM21.5 million as compared to the corresponding period in the prior financial year. This is mainly attributed by the lower revenue generated from both machinery and equipment segment and steel product and trading activity segment.

The Group's profit before tax ("PBT") for the first quarter is RM0.5 million, declined by 67% as compared to the preceding year corresponding quarter of RM1.5 million. The performance of the operating business segment for the first quarter as compared to the preceding year corresponding quarter is presented as follows:-

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

15. Review of performance (cont'd)

(a) Machinery and equipment segment

This segment recorded revenue of RM10.0 million for the current quarter as compared to RM13.0 million achieved in the previous year corresponding quarter, representing a decrease of 23%. PBT earned from this segment dropped from RM3.7 million down to RM1.2 million which in line with the decrease in revenue.

(b) Steel product and trading activity segment

The revenue for the current quarter is RM11.5 million, representing a decrease of RM5.4 million (from RM16.9 million down to RM11.5 million) as compared to the corresponding quarter preceding year. The loss before tax of RM2.3 million registered in corresponding quarter previous year was slightly improved to a loss before tax of RM0.3 million mainly contributed by lower production costs and positive profit impact of RM0.5 million arising from the changes of accounting estimates as mentioned in Note 6 of the explanatory notes.

(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. Gain on disposal of subsidiary of RM0.3 million was also included in this segment.

16. Variation of results against preceding quarter

	Individual quarter ended	
	31.03.2013	31.12.2012
	RM'000	RM'000
Revenue	21,466	37,139
Profit before tax ("PBT")	<u>471</u>	<u>(325)</u>

The Group recorded a current quarter profit before tax of RM0.5 million mainly due to the positive profit impact of RM0.5 million as a result of changes of accounting estimates as explained in Note 6 of the explanatory notes and gain on disposal of subsidiary of RM0.3 million. The loss before tax recorded in preceding quarter was partly due to the allowance for doubtful debts made of RM0.5 million and inventory written down of RM0.1 million.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013

17. Commentary of prospects

Based on the current global business environment, the Board of Directors of Eonmetall anticipates the performance of the Group for the financial year 2013 to be maintained.

18. Profit forecast

The Group did not publish any profit forecast in a public documents in the current financial quarter.

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 31.03.2013 RM'000	Period ended 31.03.2013 RM'000
Other income	(139)	(139)
Depreciation of property, plant and equipment	1,376	1,376
Depreciation of investment property	96	96
Gain on disposal of property, plant and equipment	(5)	(5)
Gain on disposal of subsidiary	(338)	(338)
Realised gain on foreign exchange	(70)	(70)
Unrealised gain on foreign exchange	(12)	(12)

20. Taxation

	3 months ended 31.03.2013 RM'000	Period ended 31.03.2013 RM'000
Current tax expense	(144)	(144)
Deferred tax expense	13	13

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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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013

21. Status of corporate proposal announced

There are no other corporate proposals announced but not completed as at the date of issue of this announcement save for the followings:

- (a) At an Extraordinary General Meeting of the Company held on 28 December 2012, the shareholders had approved:
- (i) the disposal by Eonmetall Systems Sdn Bhd (“ESSB”), a wholly owned subsidiary, of a parcel of industrial land together with an almost completed single-storey detached factory with an office erected thereon held under Title No. GM 77765, Lot No. 1596, Mukim 12, Daerah Seberang Perai Selatan, Pulau Pinang, for a cash consideration of RM12,100,000.00 (“Disposal”) to Leader Steel Sdn Bhd (“LSSB”), a wholly owned subsidiary of Leader Steel Holdings Berhad; and
 - (ii) the acquisition by Eonchem Biomass Sdn Bhd (“EBSB”), a wholly-owned subsidiary, of a parcel of an industrial land held under Title No. GM 390, Lot No. 391, Mukim 12, Daerah Seberang Perai Selatan, Pulau Pinang, but excluding the buildings (which comprise a single-storey factory, a palm fibre oil extraction plant, a single-storey warehouse and a boiler house) and site improvements (which include clearing and levelling of the land, drainage, fencing and gate, paving and etc.) erected thereon for a cash consideration of RM7,673,782.74 (“Acquisition”) from Astral Dragon Sdn Bhd (“ADSB”).

On 5 April 2013, the Company had announced that ESSB and EBSB had, on even date, reached an understanding with LSSB and ADSB respectively, to further extend the Extended Completion Period for the Acquisition by three (3) months commencing from the expiry of the Extended Completion Date of 27 April 2013, subject to LSSB and EBSB paying an interest at the rate of 6% per annum on the unpaid balance purchase price calculated on a daily basis.

Following the above, the last date for settlement of the balance purchase price pursuant to the Disposal and Acquisition will be on 27 July 2013.

- (b) On 7 May 2012 the Company announced that Eonmetall Industries Sdn Bhd, a wholly-owned subsidiary, had entered into a Sale and Purchase Agreement (“SPA”) with Jinfast Industries Sdn. Bhd. to dispose all that piece of freehold industrial land known as Lot No. 385, Mukim 12, Daerah Seberang Perai Selatan, Penang comprised in Geran No. 33124 measuring approximately 57,508.66 square metres together with a three storey office building annexed with a single storey factory building erected thereon at a the total gross floor area of approximately 29,236.50 square metres, bearing assessment address Lot No. 385, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang for a total consideration of Ringgit Malaysia Twenty Six Million (RM26,000,000) only. (“Disposal”)

On 29 May 2013 the Company announced a Supplemental Sale and Purchase Agreement between Eonmetall Industries Sdn. Bhd and Jinfast Industries Sdn. Bhd. in relation to the above Disposal to vary the conditions precedent of the SPA.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013****22. Group borrowings**

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

	Payable within 12 months RM'000	Payable after 12 months RM'000
RM denominated borrowings		
<u>Secured</u>		
Term loans	7,348	14,001
Hire purchases	409	979
	7,757	14,980
<u>Unsecured</u>		
Bank overdrafts	6,108	-
Bankers' acceptances	31,764	-
Bill discounting	1,860	-
Revolving credit	5,000	-
	44,732	-
Total RM denominated borrowings	52,489	14,980
USD denominated borrowings		
<u>Unsecured</u>		
Trade loan	188	-
Total borrowings	52,677	14,980

23. Changes in material litigation

There was no material litigation as at the date of the interim financial statements.

24. Dividends

The Board of Eonmetall had on 27 February 2013 recommended a final dividend of 3.5% tax exempt in respect of the financial year ended 31 December 2012 which was approved by the shareholders at the Annual General Meeting on 27 May 2013. The Final dividend will be paid on 15 August 2013 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 18 July 2013.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013****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 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of Eonmetall Group Berhad and its subsidiaries:		
- Realized	113,043	112,016
- Unrealized	(2,318)	(2,327)
Total share of retained profits from associated companies:		
- Realized	-	913
- Unrealized	-	-
Total share of retained profits from jointly controlled entities:		
- Realized	-	-
- Unrealized	-	-
Less: Consolidation adjustments	(54,120)	(54,340)
Total Group retained profits as per consolidation accounts	<u>56,605</u>	<u>56,262</u>

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

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 31.03.2013	Period ended 31.03.2013
Profit after tax attributable to owners of the Company (RM'000)	343	343
Basic :		
Weighted average number of shares in issue ('000)	168,659	168,659
Basic earnings per share (sen)	<u>0.20</u>	<u>0.20</u>
Diluted :		
Diluted earnings per share (sen)	<u>0.20</u>	<u>0.20</u>

The Group does not have any dilutive potential ordinary shares as the market price of the shares was lower than the exercise price. As a result, these share options are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

By order of the Board

Yeoh Cheng Chye
Managing Director and Chief Executive Director

DATED THIS 30th May 2013