

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2016

| | Three Months Ended | | Period Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30-Sep-16 RM'000 | 30-Sep-15 RM'000 | 30-Sep-16 RM'000 | 30-Sep-15 RM'000 |
| Continuing Operations | | | | |
| Revenue | <u>17,092</u> | <u>26,100</u> | <u>76,605</u> | <u>59,007</u> |
| Operating (loss)/profit | 1,106 | 4,606 | 18,254 | 6,566 |
| Interest expense | (727) | (878) | (2,279) | (2,532) |
| Interest income | 5 | 4 | 11 | 8 |
| Profit/(Loss) before tax | <u>384</u> | <u>3,732</u> | <u>15,986</u> | <u>4,042</u> |
| Tax expense | (150) | (135) | (332) | (371) |
| Profit/(Loss) after tax from continuing operations | <u>234</u> | <u>3,597</u> | <u>15,654</u> | <u>3,671</u> |
| Other comprehensive income/(expenses) | (122) | (722) | 160 | (1,063) |
| Total comprehensive expenses | <u>112</u> | <u>2,875</u> | <u>15,814</u> | <u>2,608</u> |
| Profit/(Loss) after tax attributable to: | | | | |
| Owners of parent | 234 | 3,593 | 15,655 | 3,668 |
| Non-controlling interests | - | 4 | (1) | 3 |
| | <u>234</u> | <u>3,597</u> | <u>15,654</u> | <u>3,671</u> |
| Total comprehensive expenses attributable to: | | | | |
| Owners of parent | 112 | 2,875 | 15,814 | 2,609 |
| Non-controlling interests | - | - | - | (1) |
| | <u>112</u> | <u>2,875</u> | <u>15,814</u> | <u>2,608</u> |
| Earnings/(Loss) per share attributable to owners of the Company | | | | |
| Basic earnings/(loss) per share (sen) | <u>0.14</u> | <u>2.13</u> | <u>9.28</u> | <u>2.18</u> |
| Diluted earnings/(loss) per share (sen) | <u>0.14</u> | <u>2.13</u> | <u>9.28</u> | <u>2.18</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 2015.

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

| | Unaudited 30-Sep-16 RM'000 | Audited 31-Dec-15 RM'000 |
|--|----------------------------------|--------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 101,087 | 102,179 |
| Investment properties | 30,968 | 30,869 |
| Deferred tax assets | 1,625 | 1,625 |
| Trade and other receivables | 750 | 366 |
| | <u>134,430</u> | <u>135,039</u> |
| Current assets | | |
| Trade and other receivables | 38,668 | 38,573 |
| Inventories | 66,184 | 51,407 |
| Current tax assets | 200 | 350 |
| Cash and cash equivalents | 2,205 | 2,118 |
| | <u>107,257</u> | <u>92,448</u> |
| TOTAL ASSETS | <u>241,687</u> | <u>227,487</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 85,585 | 85,585 |
| Treasury share, at cost | (782) | (781) |
| Share premium | 1,549 | 1,549 |
| Translation reserve | (1,159) | (1,319) |
| Retained earnings | 79,354 | 63,699 |
| | <u>164,547</u> | <u>148,733</u> |
| Non-controlling interests | 317 | 318 |
| TOTAL EQUITY | <u>164,864</u> | <u>149,051</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Loans and borrowings | 6,716 | 10,661 |
| Deferred tax liabilities | 2,446 | 2,446 |
| | <u>9,162</u> | <u>13,107</u> |
| Current liabilities | | |
| Trade and other payables | 13,489 | 18,830 |
| Loans and borrowings | 54,090 | 46,354 |
| Current tax liabilities | 82 | 145 |
| | <u>67,661</u> | <u>65,329</u> |
| TOTAL LIABILITIES | <u>76,823</u> | <u>78,436</u> |
| TOTAL EQUITY AND LIABILITIES | <u>241,687</u> | <u>227,487</u> |
| Net assets per share (RM) | <u>0.98</u> | <u>0.85</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 2015.

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2016

| | ← Non-distributable | | | | → Distributable | | | | | |
|--|---------------------|---------------|-----------------|----------------------|-------------------|---------------------|-------------------|---|--------------------------|--------------|
| | Share capital | Share premium | Treasury shares | Share option reserve | Statutory reserve | Translation reserve | Retained earnings | Total attributable to owner of the parent | Non-controlling interest | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance at 1 January 2015 | 85,585 | 1,549 | (781) | 655 | - | (363) | 56,870 | 143,515 | 320 | 143,835 |
| Profit for the period | - | - | - | - | - | - | 3,668 | 3,668 | 3 | 3,671 |
| Foreign currency translations | - | - | - | - | - | (1,059) | - | (1,059) | (4) | (1,063) |
| Total comprehensive loss for the period | - | - | - | - | - | (1,059) | 3,668 | 2,609 | (1) | 2,608 |
| Non-controlling interest arising on a business combination | - | - | - | - | - | - | - | - | 45 | 45 |
| Balance at 30 September 2015 | 85,585 | 1,549 | (781) | 655 | - | (1,422) | 60,538 | 146,124 | 364 | 146,488 |
| Balance at 1 January 2016 | 85,585 | 1,549 | (781) | - | - | (1,319) | 63,699 | 148,733 | 318 | 149,051 |
| Profit for the period | - | - | - | - | - | - | 15,655 | 15,655 | (1) | 15,654 |
| Foreign currency translations | - | - | - | - | - | 160 | - | 160 | - | 160 |
| Total comprehensive loss for the period | - | - | - | - | - | 160 | 15,655 | 15,815 | (1) | 15,814 |
| Purchase of treasury shares | - | - | (1) | - | - | - | - | (1) | - | (1) |
| Non-controlling interest arising on a business combination | - | - | - | - | - | - | - | - | - | - |
| Balance at 30 September 2016 | 85,585 | 1,549 | (782) | - | - | (1,159) | 79,354 | 164,547 | 317 | 164,864 |

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 2015.

EONMETALL GROUP BERHAD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

| | Period ended | |
|--|---------------------|---------------------|
| | 30-Sep-16 RM'000 | 30-Sep-15 RM'000 |
| Cash flows from operating activities | | |
| Profit/(Loss) before tax from continuing operations | 15,986 | 4,042 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 3,491 | 2,853 |
| Depreciation of investment property | 320 | 317 |
| Interest expense | 2,279 | 2,532 |
| Interest income | (11) | (8) |
| Inventories written down | - | 777 |
| Gain on disposal of plant and equipment | (287) | (10) |
| Fixed assets written off | 3 | - |
| Loss on foreign exchange - unrealised | 170 | - |
| Operating profit before changes in working capital | <u>21,951</u> | <u>10,503</u> |
| Changes in working capital: | | |
| Inventories | (14,777) | (7,100) |
| Trade and other receivables | (479) | (4,032) |
| Trade and other payables | (5,511) | 4,923 |
| Cash generated from/(used in) operations | <u>1,184</u> | <u>4,294</u> |
| Tax paid | (245) | (435) |
| Net cash generated from/(used in) operating activities | <u>939</u> | <u>3,859</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,408) | (2,312) |
| Purchase of investment property | (419) | (71) |
| Interest received | 11 | 8 |
| Proceeds from disposal of plant and equipment | 294 | 2,344 |
| Net cash used in investing activities | <u>(2,522)</u> | <u>(31)</u> |
| Cash flows from financing activities | | |
| Drawdown of short term borrowings, net | 7,353 | 6,801 |
| Proceeds from hire purchase creditors | 145 | - |
| Repayment of term loans | (3,991) | (3,890) |
| Repayment of hire purchase creditors | (131) | (413) |
| Purchase of treasury shares | (1) | (1) |
| Interest paid | (2,279) | (2,532) |
| Net cash (used in)/generated from financing activities | <u>1,096</u> | <u>(35)</u> |
| Net increase in cash and cash equivalents | <u>(487)</u> | <u>3,793</u> |
| Effect of exchange rate changes | 160 | (1,063) |
| Cash and cash equivalents at beginning of year | <u>(3,060)</u> | <u>(4,328)</u> |
| Cash and cash equivalents at end of financial year | <u>(3,387)</u> | <u>(1,598)</u> |
| Notes: | | |
| A) Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise : | | |
| Cash & bank balances | 2,205 | 2,608 |
| Bank overdrafts | (5,592) | (4,206) |
| | <u>(3,387)</u> | <u>(1,598)</u> |

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 2015.

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 2015. 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 2015.

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 2015 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 January 2016

- Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Significant Accounting Policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 JANUARY 2016

| | |
|--|---|
| • MFRS 14 | Regulatory Deferral Accounts |
| • Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| • Amendments to MFRS 101 | Disclosure Initiative |
| • Amendments to MFRS 127 | Equity Method in Separate Financial Statements |
| • Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| • Amendments to MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| • Amendments to MFRS 116 and MFRS 141 | Agriculture: Bearer Plants |
| • Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| • Annual Improvements to MFRSs 2012 - 2014 Cycle | |
| • MFRS 9 | Financial Instruments (IFRS as issued by IASB in July 2014) |
| • MFRS 15 | Revenue from Contracts with Customers |

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material impact to the financial statements of the Group upon their initial application.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2015 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.

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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

An interim single tier dividend of 5% per share for the year ending 31 December 2016 was paid on 25 November 2016.

9. Segment revenue and results

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

| Period-to-date ended | Machinery and equipment RM'000 | Steel product and trading activity RM'000 | Property, investment holding and others RM'000 | Total RM'000 |
|-------------------------------|---|--|---|-------------------------|
| 30-September-16 | | | | |
| Total revenue | 33,184 | 91,044 | 1,819 | 126,047 |
| Inter-segment revenue | (3,136) | (45,286) | (1,020) | (49,442) |
| External revenue | 30,048 | 45,758 | 799 | 76,605 |
| Interest income | 4 | 7 | - | 11 |
| Interest expense | 1,097 | 872 | 310 | 2,279 |
| Depreciation and amortisation | 635 | 2,641 | 535 | 3,811 |
| Segment profit/(loss) | 7,670 | 10,466 | (2,150) | 15,986 |
| Period-to-date ended | | | | |
| 30-September-15 | | | | |
| Total revenue | 13,660 | 78,481 | 13,816 | 105,957 |
| Inter-segment revenue | (2,084) | (32,062) | (12,804) | (46,950) |
| External revenue | 11,576 | 46,419 | 1,012 | 59,007 |
| Interest income | 1 | 7 | - | 8 |
| Interest expense | 1,132 | 986 | 414 | 2,532 |
| Depreciation and amortisation | 717 | 2,005 | 448 | 3,170 |
| Segment (loss)/profit | 88 | 4,170 | (216) | 4,042 |

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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

There were no material events subsequent to the end of the year 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 current quarter under review.

12. Changes in contingent liabilities or contingent assets

| | As at 30.09.2016 RM'000 | As at 31.12.2015 RM'000 |
|--|-------------------------------|-------------------------------|
| Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries | <u>182,290</u> | <u>169,290</u> |

13. Capital commitments

As at the date of this announcement, the Group has no material capital commitments.

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 30 September 2016.

| | Period ended 30.09.2016 RM'000 |
|--------------------|--------------------------------------|
| Rental of premises | 239 |
| Sale of goods | 9,549 |
| Purchase of goods | <u>2,307</u> |

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 third quarter ended 30 September 2016 decreased by 35% from RM26.1 million down to RM17 million as compared to the corresponding quarter in the prior financial year. This is mainly attributed by lower revenue generated from machinery and equipment segment for the current quarter.

The Group's profit before tax ("PBT") for the current quarter is RM0.4 million, decreased by RM3.3 million equivalent to 0.9 times as compared to the PBT of RM3.7 million recorded in preceding year corresponding quarter. The performance of the operating of each business segment for the third quarter as compared to the preceding year corresponding quarter is presented as follows:-

(a) Machinery and equipment segment

This segment recorded revenue of RM0.1 million for the current quarter as compared to RM7.7 million achieved in the previous year corresponding quarter, representing a decrease of RM7.6 million equivalent to a drop of 99%. This segment recorded loss before tax ("LBT") of RM2.3 million, a drop of RM4.3 million equivalent to 2.15 times as compared to PBT of RM2 million earned from the corresponding quarter in prior year which was in line with the decrease in revenue.

The decrease of revenue for the current quarter is mainly attributed by the delivery of more inter-segment revenue.

(b) Steel product and trading activity segment

The revenue for the current quarter is RM16.7 million, representing a decrease of RM1.6 million (from RM18.3 million drop to RM16.7 million) as compared to the corresponding quarter preceding year. This segment recorded PBT of RM3.8 million for the quarter under review, an increase of 2.2 times from PBT of RM1.2 million recorded in the previous year corresponding quarter mainly due to lower production cost.

(c) Property, investment holding and other segment

This segment represents non significant trading of non-steel products and rental income derived from the Group's property offsetting with the operating expenses from all other segments.

EONMETALL GROUP BERHAD

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

16. Variation of results against preceding quarter

| | Individual quarter ended | |
|-------------------|--------------------------|--------------|
| | 30.09.2016 | 30.06.2016 |
| | RM'000 | RM'000 |
| Revenue | 17,092 | 26,615 |
| Profit before tax | <u>384</u> | <u>4,081</u> |

The Group recorded a current quarter PBT of RM0.4 million, a decrease of RM3.7 million over the preceding quarter mainly due to decrease in revenue of machinery and equipment segment.

17. Commentary of prospects

Notwithstanding the current global business environment, the Board of Directors of Eonmetall anticipates the performance of the Group for the financial year 2016 to be encouraging given the increase in demand for racking and machinery.

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 | Period |
|---|--------------|--------------|
| | ended | ended |
| | 30.09.2016 | 30.09.2016 |
| | RM'000 | RM'000 |
| Other income | (295) | (873) |
| Interest Income | (5) | (11) |
| Gain on disposal of plant and equipment | (25) | (284) |
| Depreciation of property, plant and equipment | 1,417 | 3,491 |
| Depreciation of investment property | 108 | 320 |
| Realised loss on foreign exchange | (136) | 237 |
| Unrealised (gain)/loss on foreign exchange | (124) | 170 |
| Write back of allowance of doubtful debts | <u>(300)</u> | <u>(300)</u> |

EONMETALL GROUP BERHAD

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

20. Taxation

| | 3 months ended 30.09.2016 RM'000 | Period ended 30.09.2016 RM'000 |
|----------------------|---|---|
| Current tax expense | (150) | (332) |
| Deferred tax expense | - | - |
| | <u>(150)</u> | <u>(332)</u> |

21. Status of corporate proposal announced

There was a corporate proposal announced but not completed as at the date of this announcement save for the following :-

On 13 October 2016, the company announced that the company proposed to undertake a private placement of new ordinary shares of RM0.50 each in the company of up to ten percent (10%) of the issued and paid-up share capital of the company, the investors to be identified and at an issue price to be determined by the Board and announced later.

On 28 October 2016, the company announced that the additional listing application for the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

On 8 November 2016, the company announced that Bursa Malaysia Securities Berhad had vide its letter dated 7 November 2016 (which was received on 8 November 2016) approved the listing and quotation of up to 17,117,100 new shares to be issued pursuant to the Proposed Private Placement.

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EONMETALL GROUP BERHAD

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016****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 | 5,343 | 6,604 |
| Hire purchases | 106 | 112 |
| | 5,449 | 6,716 |
| <u>Unsecured</u> | | |
| Bank overdrafts | 5,592 | - |
| Bankers' acceptances | 31,589 | - |
| Revolving credit | 9,000 | - |
| Bill discounting | 2,460 | - |
| | 48,641 | - |
| Total borrowings | 54,090 | 6,716 |

23. Changes in material litigation

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

24. Dividends

The Board of Directors has approved and declared an interim single tier dividend of 5% per share for the year ending 31 December 2016.

The Book Closure and Payment dates for the aforesaid dividend are 1 November 2016 and 25 November 2016 respectively.

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EONMETALL GROUP BERHAD**(Company No. 631617-D)****(Incorporated in Malaysia)****SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016****25. Realised and Unrealised Profits/Losses**

The following analysis of realised and unrealised 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 Realised and Unrealised 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 30.09.2016 RM'000 | As at 31.12.2015 RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained profits of Eonmetall Group Berhad and its subsidiaries: | | |
| - Realised | 123,633 | 96,984 |
| - Unrealised | 145 | 305 |
| | <hr/> 123,778 | <hr/> 97,289 |
| Less: Consolidation adjustments | <hr/> (44,424) | <hr/> (33,590) |
| Total Group retained profits as per consolidation accounts | <hr/> 79,354 | <hr/> 63,699 |

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

26. Earnings per share

The loss per share was computed based on the net loss divided by the weighted average number of shares in issue net of treasury shares:

| | 3 months ended 30.09.2016 | Period ended 30.09.2016 |
|--|---------------------------------|-------------------------------|
| Profit after tax attributable to owners of the Company (RM'000) | 234 | 15,655 |
| Basic : | | |
| Weighted average number of shares in issue ('000) | 168,652 | 168,652 |
| Basic earnings per share (sen) | <u>0.14</u> | <u>9.28</u> |
| Diluted : | | |
| Diluted earnings per share (sen) | <u>0.14</u> | <u>9.28</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 28th November 2016