

# EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Three Months Ended		Period Ended	
	30-Jun-18 RM'000	30-Jun-17 RM'000	30-Jun-18 RM'000	30-Jun-17 RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	<u>27,106</u>	<u>27,683</u>	<u>54,842</u>	<u>60,707</u>
Operating profit/(loss)	2,605	6,837	7,017	14,248
Interest expense	(1,302)	(978)	(2,395)	(1,922)
Interest income	8	4	14	9
Share of loss in joint venture	(3)	-	(3)	-
<b>Profit/(Loss) before tax</b>	<u>1,308</u>	<u>5,863</u>	<u>4,633</u>	<u>12,335</u>
Tax expense	(259)	(95)	(648)	(268)
<b>Profit/(Loss) after tax from continuing operations</b>	<u>1,049</u>	<u>5,768</u>	<u>3,985</u>	<u>12,067</u>
Other comprehensive income/(loss)	(174)	92	(107)	151
<b>Total comprehensive income/(loss)</b>	<u>875</u>	<u>5,860</u>	<u>3,878</u>	<u>12,218</u>
<b>Profit/(Loss) after tax attributable to:</b>				
Owners of parent	1,059	5,771	3,989	12,070
Non-controlling interests	(10)	(3)	(4)	(3)
	<u>1,049</u>	<u>5,768</u>	<u>3,985</u>	<u>12,067</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of parent	874	5,870	3,897	12,231
Non-controlling interests	1	(10)	(19)	(13)
	<u>875</u>	<u>5,860</u>	<u>3,878</u>	<u>12,218</u>
<b>Earnings/(Loss) per share attributable to owners of the Company</b>				
Basic earnings/(loss) per share (sen)	<u>0.57</u>	<u>3.42</u>	<u>2.13</u>	<u>7.16</u>
Diluted earnings/(loss) per share (sen)	<u>0.57</u>	<u>3.42</u>	<u>2.13</u>	<u>7.16</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 2017.

# EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	<b>Unaudited 30-Jun-18 RM'000</b>	<b>Restated 31-Dec-17 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	103,678	103,185
Investment properties	30,467	30,614
Investment in associates / joint venture	-	1
Deferred tax assets	1,625	1,625
Trade and other receivables	-	-
	<u>135,770</u>	<u>135,425</u>
<b>Current assets</b>		
Trade and other receivables	70,365	63,783
Inventories	93,996	74,538
Current tax assets	65	86
Cash and cash equivalents	6,684	13,702
	<u>171,110</u>	<u>152,109</u>
<b>TOTAL ASSETS</b>	<u>306,880</u>	<u>287,534</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	99,801	99,801
Treasury share, at cost	(1,462)	(7)
Translation reserve	(1,518)	(1,426)
Retained earnings	89,301	85,312
	<u>186,122</u>	<u>183,680</u>
Non-controlling interests	215	234
<b>TOTAL EQUITY</b>	<u>186,337</u>	<u>183,914</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	32,718	5,162
Deferred tax liabilities	775	759
	<u>33,493</u>	<u>5,921</u>
<b>Current liabilities</b>		
Trade and other payables	15,835	19,342
Loans and borrowings	69,838	76,980
Current tax liabilities	1,377	1,377
	<u>87,050</u>	<u>97,699</u>
<b>TOTAL LIABILITIES</b>	<u>120,543</u>	<u>103,620</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>306,880</u>	<u>287,534</u>
<b>Net assets per share (RM)</b>	<u>0.99</u>	<u>1.08</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 2017.

## EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(The figures have not been audited)

#### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	←	<i>Non-distributable</i>		→	<i>Distributable</i>	Total	Non-	Total equity
	Share capital	Share premium	Treasury shares	Exchange translation reserve	Retained earnings	attributable to owner of the parent	controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2017</b>	85,585	1,549	(783)	(1,729)	71,944	156,566	271	156,837
Profit for the year	-	-	-	-	12,070	12,070	(3)	12,067
Foreign currency translations	-	-	-	161	-	161	(10)	151
Total comprehensive loss for the period	-	-	-	161	12,070	12,231	(13)	12,218
<b>Balance as at 30 June 2017</b>	85,585	1,549	(783)	(1,568)	84,014	168,797	258	169,055
<b>Balance as at 31 December 2017, as per previously reported</b>	99,801	-	(7)	(1,426)	87,176	185,544	234	185,778
Adjustment from adoption of MFRS 9	-	-	-	-	(1,864)	(1,864)	-	(1,864)
Restated balance as at 1 January 2018	99,801	-	(7)	(1,426)	85,312	183,680	234	183,914
Profit for the year	-	-	-	-	3,989	3,989	(4)	3,985
Foreign currency translations	-	-	-	(92)	-	(92)	(15)	(107)
Total comprehensive income for the year	-	-	-	(92)	3,989	3,897	(19)	3,878
Purchase of treasury shares	-	-	(1,455)	-	-	(1,455)	-	(1,455)
<b>Balance as at 30 June 2018</b>	99,801	-	(1,462)	(1,518)	89,301	186,122	215	186,337

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 2017.

**EONMETALL GROUP BERHAD**

(Company No. 631617 D)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018**

	Period ended	
	30-Jun-18 RM'000	30-Jun-17 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	4,633	12,335
Adjustments for:		
Depreciation of property, plant and equipment	2,702	2,587
Depreciation of investment property	217	218
Interest expense	2,395	1,922
Interest income	(14)	(9)
Impairment loss on trade receivables	66	-
Impairment loss on investments	1	-
Inventories written down	61	-
Share of loss on joint venture	3	-
Reversal of impairment loss on trade receivable	(14)	-
Loss/(Gain) on disposal of plant and equipment	16	(101)
Unrealised (gain)/loss on foreign exchange	(961)	192
Operating profit before changes in working capital	9,105	17,144
Changes in working capital:		
Inventories	(19,519)	(10,426)
Trade and other receivables	(5,728)	(11,514)
Trade and other payables	1,251	5,454
Cash (used in)/generated from operations	(14,891)	658
Tax paid	(648)	(68)
Tax refunded	37	-
<b>Net cash (used in)/generated from operating activities</b>	(15,502)	590
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,265)	(1,208)
Purchase of investment property	(70)	(68)
Interest received	14	9
Proceeds from disposal of plant and equipment	54	106
<b>Net cash used in investing activities</b>	(3,267)	(1,161)
<b>Cash flows from financing activities</b>		
(Repayment)/Drawdown of short term borrowings, net	(6,984)	6,018
Proceeds from term loans	29,998	-
Repayment of term loans	(3,425)	(3,370)
Repayment of hire purchase creditors	(21)	(60)
Purchase of treasury shares	(1,455)	-
Dividend paid to shareholders of the Company	(4,707)	-
Interest paid	(2,395)	(1,922)
<b>Net cash (used in)/generated from financing activities</b>	11,011	666
Net (decrease)/increase in cash and cash equivalents	(7,758)	95
Effect of exchange rate changes	(107)	151
Cash and cash equivalents at beginning of year	4,437	(8,374)
<b>Cash and cash equivalents at end of financial year</b>	(3,428)	(8,128)

**Notes:**

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

Cash & bank balances	6,684	3,612
Bank overdrafts	(10,112)	(11,740)
	(3,428)	(8,128)

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 2017.

# EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

### 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 (“Bursa Securities”). 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 2017. 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 2017.

#### 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 2017 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 2018**

Amendments to MFRS 1	Annual Improvement to MFRS Standards 2014 – 2016 Cycle
MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board (“IASB”) in July 2014)
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128	Annual Improvement to MFRS Standards 2014 – 2016 Cycle
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Translation and Advance Consideration

The Group had adopted the above Amendments to Standards, with a date of initial application of 1 January 2018. The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

# EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

### 2. Significant Accounting Policies (cont'd)

#### New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 JANUARY 2019

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Description		Effective for financial periods beginning on or after
Amendments to MFRS 3	Annual Improvement to MFRS Standards 2015 – 2017 Cycle	1 January 2019
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11	Annual Improvement to MFRS Standards 2015 – 2017 Cycle	1 January 2019
Amendments to MFRS 112	Annual Improvement to MFRS Standards 2015 – 2017 Cycle	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123	Annual Improvement to MFRS Standards 2015 – 2017 Cycle	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

## EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

### SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

#### 2. Significant Accounting Policies (cont'd)

##### (a) Reconciliation of Comprehensive Income for the year ended 31 December 2017

	As previously reported RM'000	Effects of transition to MFRS 9 RM'000	As restated RM'000
Other expenses	(3,875)	(1,864)	(5,739)

##### (b) Reconciliation of Statement of Financial Position as at 31 December 2017

	As previously reported RM'000	Effects of transition to MFRS 9 RM'000	As restated RM'000
Trade and other receivables	65,647	(1,864)	63,783
Retained earnings	87,176	(1,864)	85,312

#### 3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 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 year-to-date.

#### 6. Material changes in estimates

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

## **EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

### **SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018**

#### **7. Issuances and repayment of debt and equity securities**

There were no issuance, resale, repayment of debt and equity securities and share cancellations for the current financial period ended 30 June 2018 and period up to the date of this announcement save for the following:

On 28 February 2018, the Company announced the repurchase of 374,000 treasury shares for RM0.680 per treasury shares.

On 01 March 2018, the Company announced the repurchase of 435,000 ordinary shares for RM0.673 per shares.

On 02 March 2018, the Company announced the repurchase of 263,500 ordinary shares for RM0.668 per shares.

On 08 March 2018, the Company announced the repurchase of 673,300 ordinary shares for RM0.622 per shares.

On 02 April 2018, the Company announced the repurchase of 3,900 ordinary shares for RM0.600 per shares.

On 04 April 2018, the Company announced the repurchase of 254,100 ordinary shares for RM0.594 per shares.

On 06 April 2018, the Company announced the repurchase of 50,000 ordinary shares for RM0.575 per shares.

On 07 June 2018, the Company announced the repurchase of 33,900 ordinary shares for RM0.445 per shares.

On 08 June 2018, the Company announced the repurchase of 17,100 ordinary shares for RM0.450 per shares.

On 11 June 2018, the Company announced the repurchase of 229,000 ordinary shares for RM0.470 per shares.

#### **8. Dividends paid**

An Interim Single Tier Dividend of 2.5sen per ordinary share totaling of RM4,706,703 for the year ended 31 December 2017 was paid on 12 February 2018.

(The remaining of this page is intentionally left blank)



**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018****9. Segment revenue and results**

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

<b>Period-to-date ended 30-June 2018</b>	<b>Machinery and equipment RM'000</b>	<b>Steel product and trading activity RM'000</b>	<b>Property investment holding and others RM'000</b>	<b>Total RM'000</b>
Total revenue	41,731	49,343	1,448	92,522
Inter-segment revenue	(15,852)	(21,100)	(728)	(37,680)
External revenue	25,879	28,243	720	54,842
Interest income	3	11	-	14
Interest expense	1,182	1,213	-	2,395
Depreciation and amortisation	317	1,839	763	2,919
Segment profit/(loss)	2,619	4,157	(2,143)	4,633
<b>Period-to-date ended 30-June 2017</b>				
Total revenue	25,283	84,253	1,283	110,819
Inter-segment revenue	-	(49,396)	(716)	(50,112)
External revenue	25,283	34,857	567	60,707
Interest income	2	7	-	9
Interest expense	667	1,100	155	1,922
Depreciation and amortisation	400	2,020	385	2,805
Segment (loss)/profit	7,752	6,084	(1,501)	12,335

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

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

**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**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 30.06.2018 RM'000	As at 31.12.2017 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>242,704</u>	<u>194,704</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 June 2018.

	Period ended 30.06.2018 RM'000
Rental of premises	157
Sale of goods	6,391
Purchase of goods	<u>2,131</u>

(The remaining of this page is intentionally left blank)

## **EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

### **SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018**

#### **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 second quarter ended 30 June 2018 decreased by RM0.6 million from RM27.7 million down to RM27.1 million as compared to the preceding year corresponding quarter. The decrease was mainly attributed to the decrease of revenue from steel product and trading activity segment during the current quarter.

The Group's profit before tax ("PBT") for the current quarter was RM1.3 million, a decrease of RM4.6 million equivalent to 78.0% drop as compared to PBT of RM5.9 million recorded in preceding year corresponding quarter. The performance of each business segment for the second quarter as compared to the preceding year corresponding quarter is presented as follows:-

##### **(a) Machinery and equipment segment**

This segment recorded revenue of RM13.0 million for the current quarter as compared to RM11.5 million achieved in the previous year corresponding quarter, representing an increase of RM1.5 million equivalent to an increase of 13.0%. PBT was RM0.4 million, a drop of RM3.1 million equivalent to 88.6% as compared to PBT of RM3.5 million achieved during the corresponding quarter in preceding year. The drop of PBT is mainly due to sale of different product mix of lower margin and foreign exchange losses during the quarter.

##### **(b) Steel product and trading activity segment**

The revenue for the current quarter was RM14.0 million, representing a decrease of RM1.6 million from RM15.6 million reported in the preceding year corresponding quarter. PBT was RM1.8 million for the quarter under review compared to PBT of RM3.2 million recorded in the previous year corresponding quarter representing a decrease of RM1.4 million or 43.8%. The drop of PBT is due to lower revenue generated and higher production cost.

##### **(c) Property, investment holding and other segment**

This segment represents trading of non-steel products, other manufacturing and services income derived from the Group's properties offset against operating expenses from all other segments. This segment recorded loss before tax ("LBT") of RM1.0 million, an increase of RM0.1 million equivalent to 11.1% as compared to LBT of RM0.9 million in the corresponding quarter in prior year. The LBT is mainly attributed by the lower revenue generated from other manufacturing and services income.

**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**16. Variation of results against preceding quarter**

	Current quarter ended 30.06.2018 RM'000	Immediate preceding quarter ended 31.03.2018 RM'000
Revenue	27,106	27,736
Profit before tax	<u>1,308</u>	<u>3,325</u>

The Group recorded a current quarter PBT of RM1.3 million, representing a decrease of RM2 million from PBT of RM3.3 million in the preceding quarter mainly due to higher production cost in steel product and trading activity segment, and sale of different product mix of lower margin in machinery and equipment segment during the period.

**17. Commentary of prospects**

Notwithstanding the current global business environment, the Board of Directors of Eonmetall anticipates the performance of the Group for the current financial year 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.

(The remaining of this page is intentionally left blank)

**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**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 Securities:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018 RM'000	Corresponding preceding quarter ended 30.06.2017 RM'000	Cumulative period ended 30.06.2018 RM'000	Corresponding preceding period ended 30.06.2017 RM'000
Impairment loss on trade receivables	-	-	66	-
Impairment loss on other investment	1	-	1	-
Interest expenses	1,302	978	2,395	1,922
Inventories written down	61	-	61	-
Depreciation of property, plant and equipment	1,738	1,302	2,702	2,587
Depreciation of investment property	109	110	217	218
(Gain)/Loss on disposal of property, plant and equipment	16	1	16	(101)
Realised (gain)/loss on foreign exchange	1,319	(143)	1,392	(393)
Rental income	(75)	(217)	(150)	(434)
Other income	(2)	(10)	(10)	(64)
Interest Income	(8)	(4)	(14)	(9)
Unrealised (gain)/loss on foreign exchange	(1,096)	227	(961)	192
Reversal of impairment loss on trade receivables	(14)	-	(14)	-

**20. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018 RM'000	Corresponding preceding quarter ended 30.06.2017 RM'000	Cumulative period ended 30.06.2018 RM'000	Corresponding preceding period ended 30.06.2017 RM'000
Current tax expense	(259)	(95)	(648)	(268)

## EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

### SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

#### 21. Status of corporate proposal announced

There were no corporate proposal announced and not completed as at the date of this announcement.

#### 22. Status of utilisation of proceeds raised from corporate proposal

On 29 November 2017, the Company announced that the Private Placement has been completed following the listing of and quotation for 17,117,100 new shares on the main market of Bursa Securities on 29 November 2017.

As at 30 June 2018, the status of utilisation of proceeds raised pursuant to the Private Placement is as follows:-

	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance Unutilise</b>	<b>Intended Timeframe for Utilisation</b>
<b>Details of Utilisation</b>	RM'000	RM'000	RM'000	
Expansion of business operation	7,039	7,039	-	Within 12 months from the date of completion of the private placement.
Working Capital	5,370	5,370	-	Within 12 months from the date of completion of the private placement.
Estimated expenses*	258	258	-	Within 12 months from the date of completion of the private placement.
	<u>12,667</u>	<u>12,667</u>	<u>-</u>	

\* The estimated expenses comprising professional fees, fees payable to relevant authorities and other related expenses. Any excess/shortfall in funds for estimated expenses will be adjusted to/from funds allocated for working capital.

**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018****23. Group borrowings**

The Group's borrowings for the financial period ended 30 June 2018 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
<b>RM denominated borrowings</b>		
<b><u>Secured</u></b>		
Term loans	4,157	32,666
Hire purchases	29	52
	4,186	32,718
<b><u>Unsecured</u></b>		
Bank overdrafts	10,112	-
Bankers' acceptances	45,290	-
Revolving credit	10,250	-
	65,652	-
<b>Total borrowings</b>	<b>69,838</b>	<b>32,718</b>

The Group's borrowings for the financial period ended 30 June 2017 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
<b>RM denominated borrowings</b>		
<b><u>Secured</u></b>		
Term loans	6,781	6,843
Hire purchases	52	75
	6,833	6,918
<b><u>Unsecured</u></b>		
Bank overdrafts	11,740	-
Bankers' acceptances	34,892	-
Revolving credit	9,750	-
	56,382	-
<b>Total borrowings</b>	<b>63,215</b>	<b>6,918</b>

**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**24. Changes in material litigation**

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

**25. Dividend**

The Board of Directors does not recommend any dividend for the current financial period.

**26. Property, plant and equipment (“PPE”)**

*Acquisitions*

During the financial period ended 30 June 2018, the Group acquired assets with a cost of RM3.3 million (Financial period ended 30 June 2017: RM1.2 million).

(The remaining of this page is intentionally left blank)



**EONMETALL GROUP BERHAD**

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018****27. Earnings per share**

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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018	Corresponding preceding quarter ended 30.06.2017	Cumulative period ended 30.06.2018	Corresponding preceding period ended 30.06.2017
Profit after tax attributable to owners of the Company (RM'000)	1,059	5,771	3,989	12,070
<b>Basic:</b> Weighted average number of shares in issue ('000)	186,162	168,651	186,162	168,651
Basic earnings per share (sen)	<u>0.57</u>	<u>3.42</u>	<u>2.13</u>	<u>7.16</u>
<b>Diluted:</b> Diluted earnings per share (sen)	<u>0.57</u>	<u>3.42</u>	<u>2.13</u>	<u>7.16</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 & Chief Executive Officer