

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Three Months Ended		Period Ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Continuing Operations				
Revenue	45,998	19,342	85,345	75,537
Operating profit/(loss)	5,037	(1,552)	10,661	3,857
Interest expense	(1,916)	(1,911)	(5,777)	(5,333)
Interest income	1	7	10	14
Share of loss in joint venture	-	-	-	(11)
Profit/(Loss) before tax	3,122	(3,456)	4,894	(1,473)
Tax expense	(428)	(286)	(867)	(802)
Profit/(Loss) after tax from continuing operations	2,694	(3,742)	4,027	(2,275)
Other comprehensive income/(loss)	356	(256)	(12)	66,966
Total comprehensive income/(loss)	3,050	(3,998)	4,015	64,691
Profit/(Loss) after tax attributable to:				
Owners of parent	2,731	(3,741)	4,031	(2,269)
Non-controlling interests	(37)	(1)	(4)	(6)
	2,694	(3,742)	4,027	(2,275)
Total comprehensive income/(loss) attributable to:				
Owners of parent	3,006	(3,905)	3,865	64,858
Non-controlling interests	44	(93)	150	(167)
	3,050	(3,998)	4,015	64,691
Earnings/(Loss) per share attributable to owners of the Company				
Basic earnings/(loss) per share (sen)	1.44	(2.02)	2.16	(1.22)
Diluted earnings/(loss) per share (sen)	1.44	(2.02)	2.16	(1.22)

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 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Unaudited 30-Sep-20 RM'000	Audited 31-Dec-19 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	180,078	174,823
Investment properties	56,289	56,709
Right of use assets	742	972
Investment in associates / joint venture	28	11
Deferred tax assets	2,385	1,625
Trade and other receivables	-	8,080
	<u>239,522</u>	<u>242,220</u>
Current assets		
Trade and other receivables	97,633	73,628
Inventories	116,497	94,322
Current tax assets	817	728
Cash and cash equivalents	12,643	16,987
Derivative assets	-	68
	<u>227,589</u>	<u>185,732</u>
TOTAL ASSETS	<u>467,111</u>	<u>427,952</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	106,097	99,801
Treasury share, at cost	(1,761)	(1,761)
Property revaluation reserve	66,881	67,176
Translation reserve	(1,676)	(1,805)
Retained earnings	83,088	79,062
	<u>252,630</u>	<u>242,473</u>
Non-controlling interests	636	486
TOTAL EQUITY	<u>253,266</u>	<u>242,959</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	44,929	35,619
Lease creditors	475	646
Deferred tax liabilities	10,918	10,149
	<u>56,323</u>	<u>46,414</u>
Current liabilities		
Trade and other payables	35,267	22,776
Loans and borrowings	121,924	115,395
Lease creditors	291	358
Current tax liabilities	41	50
	<u>157,522</u>	<u>138,579</u>
TOTAL LIABILITIES	<u>213,845</u>	<u>184,993</u>
TOTAL EQUITY AND LIABILITIES	<u>467,111</u>	<u>427,952</u>
Net assets per share (RM)	<u>1.35</u>	<u>1.31</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 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	← Non-distributable →				Distributable	Total Total attributable to owner of the parent	Non- controlling interest	Total equity
	Share capital	Treasury shares	Property revaluation reserve	Exchange translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	99,801	(1,601)	-	(1,716)	75,509	171,993	650	172,643
Adjustment from adoption of MFRS 9	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2019	99,801	(1,601)	-	(1,716)	75,509	171,993	650	172,643
Profit for the year	-	-	-	-	(2,269)	(2,269)	(6)	(2,275)
Foreign currency translations	-	-	-	(202)	-	(202)	(161)	(363)
Other comprehensive income for the period	-	-	67,329	-	-	67,329	-	67,329
Total comprehensive loss for the period	5,777	-	67,329	(202)	(2,269)	64,858	(167)	64,691
Purchase of treasury shares	-	(160)	-	-	-	(160)	-	(160)
Balance as at 30 September 2019	105,578	(1,761)	67,329	(1,918)	73,240	236,691	483	237,174
Balance as at 1 January 2020	99,801	(1,761)	67,176	(1,805)	79,062	242,473	486	242,959
Profit for the year	-	-	-	-	4,026	4,026	(4)	4,022
Foreign currency translations	-	-	-	129	-	129	154	283
Realisation of revaluation reserve	-	-	(295)	-	-	(295)	-	(295)
Total comprehensive income for the year	-	-	(295)	129	4,026	3,860	150	4,010
Issues of shares	6,296	-	-	-	-	6,296	-	6,296
Purchase of treasury shares	-	-	-	-	-	-	-	-
Balance as at 30 September 2020	106,097	(1,761)	66,881	(1,676)	83,088	252,630	636	253,266

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 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Period ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	4,893	(1,473)
Adjustments for:		
Depreciation of property, plant and equipment	5,717	5,983
Depreciation of investment property	327	-
Depreciation of right-of-use-assets	229	-
Interest expense	5,777	5,333
Interest income	(10)	(14)
Impairment loss on investments	293	99
Inventories written down	-	5,726
Inventories written off	-	24
Share of loss on joint venture	-	11
Reversal of impairment loss on trade receivable	(161)	(7,810)
Loss on disposal of plant and equipment	436	4
Unrealised (gain)/loss on foreign exchange	(368)	(636)
Operating profit before changes in working capital	17,133	7,247
Changes in working capital:		
Inventories	(22,175)	(15,068)
Trade and other receivables	(15,458)	(5,332)
Trade and other payables	12,501	10,620
Cash (used in)/generated from operations	(7,999)	(2,533)
Tax paid	(956)	(965)
Tax refunded	-	233
Net cash (used in)/generated from operating activities	(8,955)	(3,265)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,940)	(7,475)
Investment in other investments	-	(50)
Purchase of investment property	(16)	-
Investment in subsidiary	(17)	-
Interest received	10	14
Proceeds from disposal of plant and equipment	102	2
Proceeds from ceased of investment in an associate	-	305
Proceeds from derivative assets	68	-
Net cash used in investing activities	(11,793)	(7,204)
Cash flows from financing activities		
Drawdown of short term borrowings	105,882	135,862
Proceeds from term loans	19,286	14,586
Repayment of short term borrowings	(104,249)	(132,119)
Repayment of term loans	(6,683)	(4,047)
Repayment of hire purchase creditors	-	(23)
Repayment of right-of-use assets	(238)	-
Purchase of treasury shares	-	(160)
Proceeds from issuance of shares	6,296	-
Interest paid	(5,777)	(5,333)
Net cash (used in)/generated from financing activities	14,517	8,766
Net (decrease)/increase in cash and cash equivalents	(6,231)	(1,703)
Effect of exchange rate changes	283	(363)
Cash and cash equivalents at beginning of year	7,659	5,125
Cash and cash equivalents at end of financial year	1,711	3,059

Notes:

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

Cash & bank balances	12,643	14,407
Bank overdrafts	(10,932)	(11,348)
	<u>1,711</u>	<u>3,059</u>

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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 2019.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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 complied 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 2019. 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 2019.

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 2019 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 2020

MFRS 16	Lease
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 119	Pan Amendments, Curtailment or Settlement

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2. Significant Accounting Policies (cont'd)

The Group had adopted the above Amendments to Standards, with a date of initial application of 1 January 2020. The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 JANUARY 2020

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 References to the Conceptual Framework in Lease MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current	1 January 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2019 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 during the current financial year-to-date.

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 September 2020.

8. Dividends paid

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

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****9. Segment revenue and results**

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

Year-to-date ended 30 September 2020	Machinery and equipment RM'000	Steel product and trading activity RM'000	Property investment holding and others RM'000	Total RM'000
Total revenue	22,452	183,612	1,416	207,480
Inter-segment revenue	(10,910)	(110,115)	(1,110)	(122,135)
External revenue	11,542	73,497	306	85,345
Interest income	3	6	1	10
Interest expense	1,804	2,298	1,675	5,777
Depreciation and amortisation	482	4,274	1,517	6,273
Share of loss of an associate and a joint venture, net of tax	-	-	-	-
Segment profit/(loss)	(1,857)	12,177	(5,426)	4,894
Year-to-date ended 30 September 2019				
Total revenue	23,165	123,282	1,583	148,030
Inter-segment revenue	(3,441)	(67,942)	(1,110)	(72,493)
External revenue	19,724	55,340	473	75,537
Interest income	4	10	-	14
Interest expense	2,586	2,421	326	5,333
Depreciation and amortisation	506	4,049	1,428	5,983
Share of loss of an associate and a joint venture, net of tax	-	-	11	11
Segment profit/(loss)	1,563	1,044	(4,080)	(1,473)

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

Save as disclosed in Note 21 on the status of corporate proposals announced, there were no other material events subsequent to the end of the current quarter and financial year under review that have not been reflected in the 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 and financial year to date except for the following:

On 9 November 2020, the Group incorporated of a subsidiary known as Eonmetall Glove Sdn. Bhd. (“EGL”). The initial paid-up share capital of EGL is RM1 comprised of 1 ordinary share. EGL intended business activity is in investment in manufacturing and distribution of gloves and health related products.

12. Changes in contingent liabilities or contingent assets

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>278,290</u>	<u>269,190</u>

13. Capital commitments

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

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**SELECTED EXPLANATORY NOTES
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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 2020.

	Period ended 30.09.2020 RM'000
Rental of premises	-
Sales of Goods	112
Purchase of goods	<u>2,362</u>

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**SELECTED EXPLANATORY NOTES
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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 third quarter ended 30 September 2020 increased by RM26.7 million from RM19.3 million up to RM46.0 million as compared to the preceding year corresponding quarter. The increase was mainly attributed to the increased in sales from steel product and trading activity segment.

The Group's profit before tax ("PBT") was RM3.1 million, as compared to loss before tax ("LBT") RM3.5 million recorded in preceding year corresponding quarter. The performance 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 RM7.7 million for the current quarter as compared to RM1.0 million achieved in the previous year corresponding quarter, representing an increased of RM6.7 million equivalent to 6.7 times. PBT was RM0.8 million, an increased of RM3.4 million equivalent to 1.31 times as compared to LBT of RM2.6 million achieved during the corresponding quarter in preceding year. The improved PBT is mainly attributed by higher sales generated, and lower interest expenses and administrative cost incurred. This segment has incurred higher inter-company machinery sales of RM10.9 million for the year-to-date ("YTD") 3Q 20 (YTD 3Q 19: RM3.4 million) to support the expansion of production capability of the steel racking and shelving business.

(b) Steel product and trading activity segment

The revenue for the current quarter was RM38.1 million, representing an increase of RM20.0 million equivalent to 1.1 times reported in the preceding year corresponding quarter. PBT was registered at RM5.6 million, an increase of RM4.8 million equivalent to 6 times as compared to PBT of RM0.8 million recorded in the previous year corresponding quarter. The improved PBT is mainly attributed by higher sales generated and lower cost of production incurred,

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

15. Review of performance (cont'd)

(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 LBT of RM3.3 million, an increase of RM1.7 million or 106% as compared to LBT of RM1.6 million in the corresponding quarter in preceding year. The increase in LBT is due to higher finance cost incurred and impairment loss on investment.

16. Variation of results against preceding quarter

	Current quarter ended 30.09.2020 RM'000	Immediate preceding quarter ended 30.06.2020 RM'000
Revenue	45,998	17,857
Profit before tax	<u>3,122</u>	<u>267</u>

The Group recorded a current quarter PBT of RM3.1 million, representing an increase of RM2.8 million from PBT of RM0.3 million in the preceding quarter. The increase was mainly attributed to higher sales generated by the group across all business segments.

17. Commentary of prospects

The COVID-19 pandemic has to certain extent disrupted our operations during the shutdown of our business during Movement Control Order (MCO). The Group at this juncture does not anticipate major impact to the operations and market demands due to our diversification of product ranges and markets. Besides, the group is also anticipating higher orders from its steel product and trading activity segment and the machinery and equipment segment. However, the Group shall be cautious in our business approach for the foreseeable future.

18. Profit forecast

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

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
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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 30.09.2020 RM'000	Corresponding preceding quarter ended 30.09.2019 RM'000	Cumulative period ended 30.09.2020 RM'000	Corresponding preceding period ended 30.09.2019 RM'000
Impairment loss on investment	293	-	293	-
Investment loss on other investment	-	99	-	99
Interest income	(1)	(7)	(10)	(14)
Interest expense	1,916	1,911	5,777	5,333
Inventories written down	-	1,438	-	5,726
Inventories written off	-	-	-	24
Depreciation of property, plant and equipment	2,030	2,104	5,717	5,983
Depreciation of investment property	109	-	327	-
Depreciation of right-of-use asset	61	-	229	-
(Gain)/Loss on disposal of property, plant and equipment	410	2	436	4
Realised (gain)/loss on foreign exchange	437	(112)	471	330
Rental income	(7)	(75)	(7)	(225)
Reversal of impairment loss on trade receivables	-	-	(161)	(7,810)
Other income	(213)	-	(467)	(1)
Unrealised (gain)/loss on foreign exchange	1,021	(449)	(368)	(637)

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TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****20. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2020 RM'000	Corresponding preceding quarter ended 30.09.2019 RM'000	Cumulative period ended 30.09.2020 RM'000	Corresponding preceding period ended 30.09.2019 RM'000
Current tax expense	(428)	(286)	(867)	(802)
Over/(under) provision in prior years	-	-	(89)	-
	<u>(428)</u>	<u>(286)</u>	<u>(956)</u>	<u>(802)</u>

21. Status of corporate proposal announced

On 25 November 2020, the Company announced on the Memorandum of Understanding entered into by the Company with all the shareholders of Lienteh Technology Sdn. Bhd. ("LTSB") in relation to the Proposed Acquisition by the Company of 51% equity interest in LTSB.

Save for the above, there was no other corporate proposals announced as at the date of this interim financial report.

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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

22. Status of utilisation of proceeds raised from corporate proposal

On 10 September 2020, the Company announced that the Private Placement has been completed following the listing of and quotation for 18,519,150 new shares on the main market of Bursa Securities on 30 September 2020.

As at 30 September 2020, the status of utilisation of proceeds raised pursuant to the Private Placement is as follows:-

	Proposed Utilisation	Actual Utilisation	Balance Unutilise	Intended Timeframe for Utilisation
Details of Utilisation	RM'000	RM'000	RM'000	
Working Capital	6,184	6,184	-	Within 12 months from the date of completion of the private placement.
Expenses*	112	74	38	Within 12 months from the date of completion of the private placement.
	<u>6,296</u>	<u>6,258</u>	<u>38</u>	

The 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.

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
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The Group's borrowings for the financial period ended 30 September 2020 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
RM denominated borrowings		
<u>Secured</u>		
Term loans	15,235	44,929
Hire purchases	-	-
	15,235	44,929
<u>Unsecured</u>		
Bank overdrafts	10,932	-
Bankers' acceptances	80,607	-
Revolving credit	15,150	-
	106,689	-
Total borrowings	121,924	44,929

The Group's borrowings for the financial period ended 30 September 2019 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
RM denominated borrowings		
<u>Secured</u>		
Term loans	11,001	34,636
Hire purchases	31	12
	11,032	34,648
<u>Unsecured</u>		
Bank overdrafts	11,348	-
Bankers' acceptances	72,675	-
Revolving credit	15,250	-
	99,273	-
Total borrowings	110,305	34,648

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**SELECTED EXPLANATORY NOTES
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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 September 2020, the group acquired asset was with a cost of RM11.9 million (Financial period ended 30 September 2020: RM7.5 million).

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EONMETALL GROUP BERHAD**(Company No. 631617-D)****(Incorporated in Malaysia)****SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****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 30.09.2020	Corresponding preceding quarter ended 30.09.2019	Cumulative period ended 30.09.2020	Corresponding preceding period ended 30.09.2019
Profit after tax attributable to owners of the Company (RM'000)	2,731	(3,741)	4,031	(2,269)
Basic: Weighted average number of shares in issue ('000)	189,217	185,192	186,543	185,375
Basic earnings per share (sen)	<u>1.44</u>	<u>(2.02)</u>	<u>2.16</u>	<u>(1.22)</u>
Diluted: Diluted earnings per share (sen)	<u>1.44</u>	<u>(2.02)</u>	<u>2.16</u>	<u>(1.22)</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
27th November 2020