

EONMETALL GROUP BERHAD

(Company No. 631617 D)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Three Months Ended		Year Ended	
	31-Dec-20 RM'000	31-Dec-19 RM'000	31-Dec-20 RM'000	31-Dec-19 RM'000
Continuing Operations				
Revenue	<u>50,406</u>	<u>45,431</u>	<u>135,751</u>	<u>120,968</u>
Operating profit/(loss)	1,532	5,789	12,192	9,646
Interest expense	(688)	(1,438)	(6,464)	(6,771)
Interest income	200	4	210	18
Share of loss in joint venture	-	(39)	-	(50)
Profit/(Loss) before tax	<u>1,044</u>	<u>4,316</u>	<u>5,938</u>	<u>2,843</u>
Tax expense	(1,461)	1,343	(2,328)	541
Profit/(Loss) after tax from continuing operations	<u>(417)</u>	<u>5,659</u>	<u>3,610</u>	<u>3,384</u>
Other comprehensive income/(loss)	692	127	680	67,093
Total comprehensive income/(loss)	<u>275</u>	<u>5,786</u>	<u>4,290</u>	<u>70,477</u>
Profit/(Loss) after tax attributable to:				
Owners of parent	(411)	5,669	3,620	3,400
Non-controlling interests	(6)	(10)	(10)	(16)
	<u>(417)</u>	<u>5,659</u>	<u>3,610</u>	<u>3,384</u>
Total comprehensive income/(loss) attributable to:				
Owners of parent	201	5,783	4,066	70,641
Non-controlling interests	74	3	224	(164)
	<u>275</u>	<u>5,786</u>	<u>4,290</u>	<u>70,477</u>
Earnings/(Loss) per share attributable to owners of the Company				
Basic earnings/(loss) per share (sen)	<u>(0.20)</u>	<u>3.06</u>	<u>1.90</u>	<u>1.83</u>
Diluted earnings/(loss) per share (sen)	<u>(0.20)</u>	<u>3.06</u>	<u>1.90</u>	<u>1.83</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 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Unaudited 31-Dec-20 RM'000	Audited 31-Dec-19 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	213,199	174,823
Investment properties	56,351	56,709
Right of use assets	552	972
Investment in associates / joint venture	-	11
Deferred tax assets	1,625	1,625
Trade and other receivables	-	8,080
	<u>271,727</u>	<u>242,220</u>
Current assets		
Trade and other receivables	97,595	73,628
Inventories	121,042	94,322
Current tax assets	717	728
Cash and cash equivalents	11,677	16,987
Derivative assets	-	68
	<u>231,031</u>	<u>185,732</u>
TOTAL ASSETS	<u>502,758</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	66,871	67,176
Translation reserve	(1,361)	(1,805)
Retained earnings	82,979	79,062
	<u>252,825</u>	<u>242,473</u>
Non-controlling interests	710	486
TOTAL EQUITY	<u>253,535</u>	<u>242,959</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	43,129	35,619
Lease creditors	467	646
Deferred tax liabilities	11,086	10,149
	<u>54,682</u>	<u>46,414</u>
Current liabilities		
Trade and other payables	82,628	22,776
Loans and borrowings	111,308	115,395
Lease creditors	111	358
Current tax liabilities	347	50
Derivative liabilities	147	-
	<u>194,541</u>	<u>138,579</u>
TOTAL LIABILITIES	<u>249,223</u>	<u>184,993</u>
TOTAL EQUITY AND LIABILITIES	<u>502,758</u>	<u>427,952</u>
Net assets per share (RM)	<u>1.32</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.

EONMETALL GROUP BERHAD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 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)	-	(1,717)	75,509	171,992	650	172,642
Profit for the year	-	-	-	-	3,400	3,400	(16)	3,384
Foreign currency translations	-	-	-	(88)	-	(88)	(148)	(236)
Gross revaluation increase of properties	-	-	77,280	-	-	77,280	-	77,280
Deferred tax relating to investment properties	-	-	(9,951)	-	-	(9,951)	-	(9,951)
Realisation of revaluation reserve	-	-	(153)	-	153	-	-	-
Total comprehensive loss for the period	-	-	67,176	(88)	3,553	70,641	(164)	70,477
Purchase of treasury shares	-	(160)	-	-	-	(160)	-	(160)
Balance as at 31 December 2019	99,801	(1,761)	67,176	(1,805)	79,062	242,473	486	242,959
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	-	-	-	-	3,610	3,610	(10)	3,600
Foreign currency translations	-	-	-	444	2	446	234	680
Realisation of revaluation reserve	-	-	(305)	-	305	-	-	-
Total comprehensive income for the year	-	-	(305)	444	3,917	4,056	224	4,280
Issues of shares	6,296	-	-	-	-	6,296	-	6,296
Balance as at 31 December 2020	106,097	(1,761)	66,871	(1,361)	82,979	252,825	710	253,535

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 FOURTH QUARTER ENDED 31 DECEMBER 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended	
	31-Dec-20 RM'000	31-Dec-19 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	5,938	2,843
Adjustments for:		
Depreciation of property, plant and equipment	8,049	8,072
Depreciation of investment property	581	-
Depreciation of right-of-use-assets	300	290
Interest expense	6,464	6,771
Interest income	(210)	(18)
Impairment loss on trade receivables	1,846	688
Impairment loss on other receivables	106	-
Inventories written down	-	22
Share of loss on associates	504	50
Reversal of impairment loss on trade receivable	(884)	(8,043)
Loss on disposal of a subsidiary	-	4
Loss on disposal of plant and equipment	437	5
Fair value adjustment on derivative financial instrument	214	(68)
Written off investment in associates	-	97
Unrealised (gain)/loss on foreign exchange	694	(178)
Operating profit before changes in working capital	24,039	10,535
Changes in working capital:		
Inventories	(26,720)	729
Trade and other receivables	(17,210)	(3,732)
Trade and other payables	61,045	4,384
Cash (used in)/generated from operations	41,154	11,916
Tax paid	(980)	(1,232)
Tax refunded	-	1,055
Net cash (used in)/generated from operating activities	40,174	11,739
Cash flows from investing activities		
Purchase of property, plant and equipment	(48,489)	(9,000)
Investment in associates	(493)	(50)
Purchase of investment property	(223)	-
Interest received	10	18
Proceeds from disposal of plant and equipment	100	2
Proceeds from capital distribution of investment in an associate	-	310
Net cash used in investing activities	(49,095)	(8,720)
Cash flows from financing activities		
Drawdown of short term borrowings	298,995	308,156
Proceeds from term loans	19,286	3,432
Repayment of short term borrowings	(304,041)	(298,214)
Repayment of term loans	(9,832)	(6,412)
Repayment of right-of-use assets	(382)	(330)
Purchase of treasury shares	-	(160)
Proceeds from issuance of shares	6,297	-
Interest paid	(6,408)	(6,721)
Net cash (used in)/generated from financing activities	3,915	(249)
Net (decrease)/increase in cash and cash equivalents	(5,006)	2,770
Effect of exchange rate changes	680	(236)
Cash and cash equivalents at beginning of year	7,659	5,125
Cash and cash equivalents at end of financial year	3,333	7,659

Notes:

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

Cash & bank balances	11,677	16,987
Bank overdrafts	(8,344)	(9,328)
	<u>3,333</u>	<u>7,659</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.

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 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

EONMETALL GROUP BERHAD

(Company No. 631617-D)
(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

2. Significant Accounting Policies (cont'd)

The Group had adopted the above Amendments to Standards, at 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

EONMETALL GROUP BERHAD

(Company No. 631617-D)
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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2020.

8. Dividends paid

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

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EONMETALL GROUP BERHAD

(Company No. 631617-D)

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020****9. Segment revenue and results**

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

Year-to-date ended 31 December 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	32,129	264,825	2,832	299,786
Inter-segment revenue	(11,361)	(150,194)	(2,480)	(164,035)
External revenue	20,768	114,631	352	135,751
Interest income	3	207	-	10
Interest expense	2,411	3,010	1,043	6,464
Depreciation and amortisation	748	6,062	2,120	8,930
Share of loss of an associate and a joint venture, net of tax	-	-	504	504
Segment profit/(loss)	(1,601)	14,222	(6,683)	5,938
Year-to-date ended 31 December 2019				
Total revenue	38,474	185,129	2,109	225,712
Inter-segment revenue	(3,686)	(99,578)	(1,480)	(104,744)
External revenue	34,788	85,551	629	120,968
Interest income	5	13	-	18
Interest expense	3,433	3,244	94	6,771
Depreciation and amortisation	687	5,475	2,200	8,362
Share of loss of an associate and a joint venture, net of tax	-	-	50	50
Segment profit/(loss)	3,265	3,613	(4,035)	2,843

EONMETALL GROUP BERHAD

(Company No. 631617-D)
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SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 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 31.12.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>267,290</u>	<u>269,190</u>

13. Capital commitments

Capital commitments authorized but not provided for in the financial statements are as follows:

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Purchase of property, plant and equipment		
- Contracted but not provided for	<u>78,173</u>	<u>44,849</u>

EONMETALL GROUP BERHAD

(Company No. 631617-D)

(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 year ended 31 December 2020.

	Year ended 31.12.2020 RM'000
Rental of premises	-
Sales of Goods	1,022
Purchase of goods	<u>2,914</u>

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(Company No. 631617-D)
(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 fourth quarter ended 31 December 2020 increased by RM5.0 million from RM45.4 million up to RM50.4 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 RM1.0 million, as compared to PBT of RM4.3 million recorded in preceding year corresponding quarter. The performance of each business segment for the fourth quarter as compared to the preceding year corresponding quarter is presented as follows:-

(a) Machinery and equipment segment

This segment recorded revenue of RM9.2 million for the current quarter as compared to RM15.1 million achieved in the previous year corresponding quarter, representing a decrease of RM5.9 million equivalent to 0.39 times. PBT was RM0.3 million, a decrease of RM1.4 million equivalent to 0.82 times as compared to PBT of RM1.7 million achieved during the corresponding quarter in preceding year. The lower PBT is mainly attributed by lower external sales generated, higher forex losses and higher impairment loss on receivable and inventory.

(b) Steel product and trading activity segment

The revenue for the current quarter was RM41.1 million, representing an increase of RM10.9 million equivalent to 0.36 times reported in the preceding year corresponding quarter. PBT was registered at RM2.0 million, a decrease of RM0.6 million equivalent to 0.23 times as compared to PBT of RM2.6 million recorded in the previous year corresponding quarter. The lower PBT is mainly attributed by higher depreciation and amortization cost, higher forex losses, and high impairment losses on receivable.

(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 RM1.3 million, a drop of RM1.3 million or 28.8 times as compared to PBT of RM45 thousand in the corresponding quarter in preceding year. The increase in LBT is due to loss on disposal of asset and share of loss of associates.

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(Company No. 631617-D)
(Incorporated in Malaysia)

SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

16. Variation of results against preceding quarter

	Current quarter ended 31.12.2020 RM'000	Immediate preceding quarter ended 30.09.2020 RM'000
Revenue	50,406	45,998
Profit before tax	<u>1,044</u>	<u>3,122</u>

The Group recorded a current quarter PBT of RM1.0 million, representing a decrease of RM2.1 million from PBT of RM3.1 million in the preceding quarter. The decrease was mainly attributed to share of loss of associates, impairment loss on receivable and inventories and depreciation charges for rights of use asset.

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
FOR THE YEAR ENDED 31 DECEMBER 2020****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 31.12.2020 RM'000	Corresponding preceding quarter ended 31.12.2019 RM'000	Cumulative period ended 31.12.2020 RM'000	Corresponding preceding period ended 31.12.2019 RM'000
Investment in associate written off	-	(2)	-	97
Impairment loss on investment	(293)	-	-	-
Impairment loss on other trade receivables	253	-	253	-
Impairment loss on trade receivables	1,846	688	1,846	688
Interest income	(200)	(4)	(210)	(18)
Interest expense	687	1,438	6,464	6,771
Inventories written down	-	(5,704)	-	22
Inventories written off	-	(24)	-	-
Depreciation of property, plant and equipment	2,332	2,089	8,049	8072
Depreciation of investment property	254	-	581	-
Depreciation of right-of- use asset	71	290	300	290
(Gain)/Loss on disposal of subsidiary	-	5	-	5
(Gain)/Loss on disposal of property, plant and equipment	1	-	437	4
Realised (gain)/loss on foreign exchange	217	(113)	688	443
Rental income	(6)	(75)	(13)	(300)
Reversal of impairment loss on trade receivables	(723)	(234)	(884)	(8,044)
Other income	(534)	1	(1,001)	-
Unrealised (gain)/loss on foreign exchange	(326)	459	(694)	(178)

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(Company No. 631617-D)

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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020****20. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2020 RM'000	Corresponding preceding quarter ended 31.12.2019 RM'000	Cumulative period ended 31.12.2020 RM'000	Corresponding preceding period ended 31.12.2019 RM'000
Current tax expense	(1,377)	1,376	(2,244)	574
Over/(under) provision in prior years	(84)	(33)	(84)	(32)
	<u>(1,461)</u>	<u>1,343</u>	<u>(2,328)</u>	<u>541</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. Additional announcement were made on the 30 November 2020, 03 December 2020, 17 December 2020 and 25 January 2021 to provide additional information.

On 8 January 2021, the Company announced on the Proposed Disposal of a parcel of land (Lot 393) for a total cash consideration of RM58,800,000 only.

On 9 February 2021, the Company announced Multiple Proposals which include:

- i. Proposed Acquisition for the Share Sale Agreement entered into by the Company with all shareholders of LTSB in relation to the Proposed Acquisition by the Company of 51% equity interest in LTSB
- ii. Proposed Diversification
- iii. Proposed ESOS; and
- iv. Proposed Amendments to Company's Constitution

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 YEAR ENDED 31 DECEMBER 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 31 December 2020.

As at 31 December 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	6,178	6,178	-	Within 12 months from the date of completion of the private placement.
Expenses*	118	118	-	Within 12 months from the date of completion of the private placement.
	<u>6,296</u>	<u>6,296</u>	<u>-</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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(Company No. 631617-D)
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**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020****23. Group borrowings**

The Group's borrowings for the financial period ended 31 December 2020 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
RM denominated borrowings		
<u>Secured</u>		
Term loans	13,886	43,129
Hire purchases	-	-
	13,886	43,129
<u>Unsecured</u>		
Bank overdrafts	8,344	-
Bankers' acceptances	75,128	-
Revolving credit	13,950	-
	97,422	-
Total borrowings	111,308	43,129

The Group's borrowings for the financial period ended 31 December 2019 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000
RM denominated borrowings		
<u>Secured</u>		
Term loans	11,943	35,618
Hire purchases	-	-
	11,943	35,618
<u>Unsecured</u>		
Bank overdrafts	9,328	-
Bankers' acceptances	78,875	-
Revolving credit	15,250	-
	103,453	-
Total borrowings	115,396	35,618

Eonmetall Technology Sdn. Bhd. has breached the covenant of Term Loan as they did not fulfill the requirements to maintain a maximum Gearing ratio of not exceeding 1.0 times. As at 31 December 2020, the balance of the said Term Loan of 4.29 million was presented as current liabilities and 19.96 million as non-current liabilities. The Bank has the absolute discretion to revise or recall banking facilities in the event of break of covenant.

EONMETALL GROUP BERHAD

(Company No. 631617-D)
(Incorporated in Malaysia)

**SELECTED EXPLANATORY NOTES
TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Group borrowings(Cont'd)

Subsequent to year end, Eonmetall Technology Sdn. Bhd. have partially settled the outstanding balances of that Term Loan. Since then, there have been no additional breaches of the loan covenant for this subsidiary.

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 year ended 31 December 2020, the group acquired asset was with a cost of RM48.5 million (Financial year ended 31 December 2020: RM24.4 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 YEAR ENDED 31 DECEMBER 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 31.12.2020	Corresponding preceding quarter ended 31.12.2019	Cumulative period ended 31.12.2020	Corresponding preceding period ended 31.12.2019
Profit after tax attributable to owners of the Company (RM'000)	(462)	5,659	3,565	3,400
Basic: Weighted average number of shares in issue ('000)	203,711	185,192	190,859	185,328
Basic earnings per share (sen)	<u>(0.22)</u>	<u>3.06</u>	<u>1.87</u>	<u>1.83</u>
Diluted: Diluted earnings per share (sen)	<u>(0.22)</u>	<u>3.06</u>	<u>1.87</u>	<u>1.83</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
25th March 2021