

**EONMETALL GROUP BERHAD**

(Company No. 631617 D)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DEC 2023**

	Three Months Ended		Year Ended	
	31-Dec-23 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-22 RM'000
<b>Continuing Operations</b>				
Revenue	42,271	36,651	173,371	256,925
Operating profit/(loss)	(11,775)	(3,278)	3,212	36,411
Interest expense	(2,357)	(1,552)	(8,531)	(7,850)
Interest income	5	(22)	36	22
Share of loss of associates	(88)	(1,586)	(88)	(1,586)
<b>Profit/(Loss) before tax</b>	<b>(14,215)</b>	<b>(6,438)</b>	<b>(5,371)</b>	<b>26,997</b>
Tax expense	2,074	(4,705)	(665)	(7,684)
Profit/(Loss) after tax from continuing operations	(12,141)	(11,143)	(6,036)	19,313
<b>Discontinued Operations</b>				
Profit/(Loss) after tax from discontinued operations	-	(4,361)	(1,758)	(4,361)
<b>Profit/(Loss) after tax from operations</b>	<b>(12,141)</b>	<b>(15,504)</b>	<b>(7,794)</b>	<b>14,952</b>
Other comprehensive income/(loss)	210	(1,055)	152	(175)
<b>Total comprehensive income/(loss)</b>	<b>(11,931)</b>	<b>(16,559)</b>	<b>(7,642)</b>	<b>14,777</b>
<b>Profit/(Loss) after tax attributable to:</b>				
Owners of parent				
- Continuing operations	(12,050)	(10,883)	(6,160)	19,898
- Discontinued operations	-	(2,223)	(897)	(2,223)
	(12,050)	(13,106)	(7,057)	17,675
Non-controlling interests				
- Continuing operations	(91)	(261)	124	(587)
- Discontinued operations	-	(2,137)	(861)	(2,137)
	(91)	(2,398)	(737)	(2,723)
	(12,141)	(15,504)	(7,794)	14,952
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of parent				
- Continuing operations	(11,767)	(16,742)	(5,978)	19,620
- Discontinued operations	-	-	(896)	(2,137)
	(11,767)	(16,742)	(6,874)	17,483
Non-controlling interests				
- Continuing operations	(164)	183	93	(569)
- Discontinued operations	-	(2,137)	(861)	(2,137)
	(164)	(1,954)	(768)	(2,706)
	(11,931)	(16,559)	(7,642)	14,777
<b>Earnings/(Loss) per share attributable to owners of the Company</b>				
Basic earnings/(loss) per share (sen)				
- Continuing operations	(4.30)	(3.94)	(2.23)	7.95
- Discontinued operations	-	(0.80)	(0.32)	(0.89)
	(4.30)	(4.74)	(2.55)	7.06
Diluted earnings/(loss) per share (sen)				
- Continuing operations	(4.20)	(3.94)	(2.17)	7.95
- Discontinued operations	-	(0.80)	(0.32)	(0.89)
	(4.20)	(4.74)	(2.49)	7.06

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 2022.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2023

	Unaudited 31-Dec-23 RM'000	Audited 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	241,779	182,946
Right of use assets	2,606	5,154
Investment in associates / joint venture	-	9,326
	<u>244,385</u>	<u>197,426</u>
<b>Current assets</b>		
Trade and other receivables	83,731	109,440
Inventories	178,605	187,213
Current tax assets	1,179	151
Cash and cash equivalents	13,167	16,679
	<u>276,682</u>	<u>313,483</u>
Assets classified as held for sale	-	97,355
<b>TOTAL ASSETS</b>	<u>521,067</u>	<u>608,264</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	137,734	137,426
Treasury share, at cost	(1,761)	(1,761)
Property revaluation reserve	46,517	46,595
Share option reserve	4,294	-
Translation reserve	(1,018)	(1,201)
Retained earnings	131,459	138,438
	<u>317,225</u>	<u>319,497</u>
Non-controlling interests	(35)	6,346
<b>TOTAL EQUITY</b>	<u>317,190</u>	<u>325,843</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	24,940	11,977
Lease creditors	734	1,813
Deferred tax liabilities	11,120	12,609
	<u>36,794</u>	<u>26,399</u>
<b>Current liabilities</b>		
Trade and other payables	19,458	37,009
Loans and borrowings	144,906	157,820
Lease creditors	1,773	3,438
Current tax liabilities	946	955
	<u>167,083</u>	<u>199,222</u>
Liabilities classified as held for sale	-	56,800
<b>TOTAL LIABILITIES</b>	<u>203,877</u>	<u>282,421</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>521,067</u>	<u>608,264</u>
<b>Net assets per share (RM)</b>	<u>1.15</u>	<u>1.28</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 2022.

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DEC 2023

	← Non-distributable			→ Distributable			Total attributable to owner of the parent	Non-controlling interest	Total equity
	Share capital	Treasury shares	Property revaluation reserve	Share option reserve	Exchange translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2022</b>	106,097	(1,761)	46,905	-	(1,009)	123,910	274,142	1,053	275,195
Profit for the year	-	-	-	-	-	17,675	17,675	(2,723)	14,952
Foreign currency translations	-	-	-	-	(192)	-	(192)	17	(175)
Total comprehensive loss for the period	-	-	-	-	(192)	17,675	17,483	(2,706)	14,777
Issues of shares	31,329	-	-	-	-	-	31,329	-	31,329
Realisation of revaluation reserve	-	-	(310)	-	-	310	-	-	-
Non-controlling interest arising on a business combination	-	-	-	-	-	-	-	7,999	7,999
Dividend to shareholders	-	-	-	-	-	(3,457)	(3,457)	-	(3,457)
<b>Balance as at 31 Dec 2022</b>	137,426	(1,761)	46,595	-	(1,201)	138,438	319,497	6,346	325,843
<b>Balance as at 1 January 2023</b>	137,426	(1,761)	46,595	-	(1,201)	138,438	319,497	6,346	325,843
Profit for the year	-	-	-	-	-	(7,057)	(7,057)	(737)	(7,794)
Foreign currency translations	-	-	-	-	183	-	183	(31)	152
Total comprehensive income for the year	-	-	-	-	183	(7,057)	(6,874)	(768)	(7,642)
Realisation of revaluation reserve	-	-	(78)	-	-	78	-	-	-
Issue of shares	201	-	-	-	-	-	201	-	201
Share options granted under ESOS	-	-	-	4,415	-	-	4,415	-	4,415
Transfer from share option reserve	107	-	-	(121)	-	-	(14)	-	(14)
Disposal of Subsidiary	-	-	-	-	-	-	-	(5,613)	(5,613)
<b>Balance as at 31 Dec 2023</b>	137,734	(1,761)	46,517	4,294	(1,018)	131,459	317,225	(35)	317,190

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 2022.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DEC 2023**

	Year Ended	
	31-Dec-23 RM'000	31-Dec-22 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax from:		
Continuing operations	(5,371)	26,997
Discontinued operations	(1,758)	(6,061)
Adjustments for:		
Depreciation of property, plant and equipment	11,142	10,927
Depreciation of right-of-use-assets	3,507	3,080
Interest expense	8,531	7,883
Interest income	(36)	(69)
Impairment loss on trade receivables	14,031	5,995
Inventories written down	83	5,823
Share of loss on associates	88	1,586
Reversal of impairment loss on trade receivable	(1,932)	(1,292)
Gain on disposal of a subsidiary	(7,492)	-
(Gain)/loss on disposal of plant and equipment	(1,360)	392
Gain on disposal of assets held for sale	-	(2,099)
Plant and equipment written off	-	1
Gain on lease modification	-	(185)
Share options granted under ESOS	4,294	-
Unrealised gain on foreign exchange	(45)	(802)
Operating profit before changes in working capital	23,682	52,176
Changes in working capital:		
Inventories	8,525	(1,418)
Trade and other receivables	13,755	5,673
Trade and other payables	(17,650)	(9,822)
Cash generated from operations	28,312	46,609
Tax paid	(3,190)	(3,406)
RPGT paid	-	(575)
<b>Net cash generated from operating activities</b>	25,122	42,628
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(70,458)	(12,613)
Purchase of right of use assets	-	(5)
Proceeds from disposal of subsidiary	26,117	-
Assets and liabilities transfer out from held for sale	15,564	-
Proceeds from disposal of associates	9,238	-
Acquisition of subsidiary, net of cash outflow acquired	-	628
Interest received	36	69
Proceeds from disposal of plant and equipment	1,986	8,972
<b>Net cash used in investing activities</b>	(17,517)	(2,949)
<b>Cash flows from financing activities</b>		
Drawdown of short term borrowings	392,808	441,953
Proceeds from term loans	25,460	5,720
Repayment of short term borrowings	(399,421)	(451,480)
Repayment of term loans	(19,638)	(17,014)
Repayment of right-of-use assets	(3,522)	(3,186)
Proceeds from issuance of ordinary shares- ESOS	308	-
Dividend paid to shareholders of the Company	-	(3,457)
Interest paid	(8,711)	(7,691)
<b>Net cash used in from financing activities</b>	(12,716)	(35,155)
Net (decrease)/increase in cash and cash equivalents	(5,111)	4,524
Effect of exchange rate changes	150	(809)
Cash and cash equivalents at beginning of year	7,121	3,406
<b>Cash and cash equivalents at end of financial year</b>	2,160	7,121

**Notes:**

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

Cash & bank balances	13,167	17,289
Bank overdrafts	(11,007)	(10,168)
	2,160	7,121

# **EONMETALL GROUP BERHAD**

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## **SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

### **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 2022. 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 2022.

#### **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 2022 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 2023**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts- Initial Application of MFRS 17 and MFRS 9- Comparative Information

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group had adopted the above Amendments to Standards, at a date of initial application of 1 January 2023. 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 31 DECEMBER 2023**

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

##### **New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 JANUARY 2024**

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.

<b>Description</b>		<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classifications of Liabilities as Current or Non- Current	1 January 2024
Amendments to MFRS 101	Non- Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 112	International Tax Reform-Pillar Two Model Rules	See MFRS 112 paragraph 98M
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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 YEAR ENDED 31 DECEMBER 2023**

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

The auditors' report on the financial statements for the year ended 31 December 2022 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 year ended 31 December 2023 and year up to the date of this announcement save for the following:

Since 18 April 2023 (date of offer), the Company had announced the issuance of total 420,000 new ordinary shares at an exercise price of RM0.480 per share for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company.

#### **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 YEAR ENDED 31 DECEMBER 2023****9. Segment revenue and results**

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

<b>Year-to-date ended 31 Dec 2023</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	24,342	206,230	4,703	235,275
Inter-segment revenue	(3,689)	(54,286)	(1,500)	(59,475)
External revenue	20,653	151,944	3,203	175,800
Interest income	4	32	-	36
Interest expense	1,610	5,222	1,699	8,531
Depreciation and amortisation	2,152	9,552	2,945	14,649
Share of profit/(loss) of an associate and a joint venture, net of tax	-	-	(88)	(88)
Segment profit	(694)	(4,713)	(1,722)	(7,129)
<b>Year-to-date ended 31 Dec 2022</b>				
Total revenue	25,910	486,947	15,410	528,267
Inter-segment revenue	(6,280)	(250,329)	(1,487)	(258,096)
External revenue	19,630	236,618	13,923	270,171
Interest income	1	20	47	68
Interest expense	2,125	5,101	612	7,838
Depreciation and amortisation	2,638	7,341	2,003	11,982
Share of profit/(loss) of an associate and a joint venture, net of tax	-	-	(1,586)	(1,586)
Segment profit/(loss)	2,200	33,090	(14,355)	20,935



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### SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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 except for the following:

On 12 May 2022, the Group acquired 15,300,000 ordinary shares of RM1.00 representing 51% of the total issued share capital of Lienteh Technology Sdn. Bhd. (“LTSB”) (202001010447(113193-W)) for a purchase consideration of RM35,700,000. The principal activity of LTSB is manufacturing and distribution of gloves.

On 7 February 2023, the Group had completely disposed the entire 51% stake in LTSB for a cash consideration of RM35,700,000. Following completion of the disposal on 7 February 2023, LTSB ceased to be subsidiary of the Group.

#### 12. Changes in contingent liabilities or contingent assets

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>355,500</u>	<u>355,500</u>

#### 13. Capital commitments

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Purchase of property, plant and equipment		
- Contracted but not provided for	<u>7,656</u>	<u>15,259</u>

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**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 2023.

	Year ended 31.12.2023 RM'000
Sales of Goods	42,998
Purchase of goods	2,107
Rental of Premises	<u>3,563</u>

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### **SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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 2023 decreased by RM7.6 million from RM49.9 million to RM42.3 million as compared to the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in revenue from machinery and equipment as well as property, investment holding and other segments.

The Group's loss before tax ("LBT") was RM14.2 million, as compared to LBT of RM12.5 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 a revenue of RM1.9 million for the current quarter as compared to RM5.4 million achieved in the previous year corresponding quarter, representing a decrease of RM3.5 million equivalent to 64.8%. LBT was RM4.8 million, an increase of RM4.3 million equivalent to 8.6 times as compared to LBT of RM0.5 million achieved during the corresponding quarter in preceding year. The higher LBT is mainly attributed by impairment on trade receivables and ESOS expenses of about RM4.7 million.

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

The revenue for the current quarter was RM40.3 million, representing an increase of RM1.6 million equivalent to 4.1% as compared to RM38.7 million reported in the preceding year corresponding quarter. LBT was registered at RM6.0 million, an increase of RM1.2 million as compared to LBT of RM4.8 million recorded in the previous year corresponding quarter. The higher LBT is mainly attributed to higher cost of production, and about RM3.0 million incurred on non-operating expenses for ESOS and legal fee expenses.

##### **(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 this segment. This segment recorded LBT of RM3.4 million, a decrease of RM3.8 million or 52.8% as compared to LBT of RM7.2 million in the corresponding quarter in preceding year. The LBT is mainly contributed by the impairment on disposal of an overseas investment at RM1.7 million and ESOS expenses of RM1.4 million.

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### SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Current quarter ended 31.12.2023 RM'000	Immediate preceding quarter ended 30.09.2023 RM'000
Revenue	42,271	47,581
(Loss)/Profit before tax	<u>(14,215)</u>	<u>1,721</u>

The Group recorded a current quarter LBT of RM14.2 million, representing a decrease of RM15.9 million from profit before tax (“PBT”) of RM1.7 million in the preceding quarter. The decrease was mainly due to higher cost of production from steel product and trading activity segment, lower revenue generated from machinery and equipment segment, impairment on trade receivables, disposal of an overseas investment as well as non-operating expenses on ESOS and legal fee.

#### 17. Commentary of prospects

The Board of Directors of Eonmetall anticipates the performance of the Group for the current financial year to be challenging due to the current global business environment and ongoing United States anti-dumping petition filed against the Group.

However, the Group remains optimistic in the machinery and equipment segment due to the high crude palm oil (“CPO”) price which may lead to higher demand in its palm oil related machinery. Nonetheless, the Group continues to exercise caution in its business approach for the foreseeable future in view of slower market conditions.

#### 18. Profit forecast

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

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**SELECTED EXPLANATORY NOTES  
TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023****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 31.12.2023 RM'000	Corresponding preceding quarter ended 31.12.2022 RM'000	Cumulative period ended 31.12.2023 RM'000	Corresponding preceding period ended 31.12.2022 RM'000
Depreciation of property, plant and equipment	2,954	2,739	11,142	10,927
Depreciation of right-of- use asset	2,113	1,655	3,507	3,080
Gain on disposal of subsidiary	-	-	(7,492)	-
Gain on disposal of property, plant and equipment	(1,358)	(71)	(1,360)	(1,707)
Gain on lease modification	-	(185)	-	(185)
Other income	(18)	(275)	(269)	(537)
Impairment loss on trade and other receivables	13,931	3,346	14,031	5,525
Interest income	(5)	(25)	(36)	(69)
Interest expense	2,357	1,585	8,531	7,883
Realised (gain)/loss on foreign exchange	(348)	(213)	(575)	(1,240)
Rental income	-	(42)	-	(230)
Reversal of impairment loss on trade and other receivables	(1,932)	(1,292)	(1,932)	(1,292)
Share of loss on associates	88	1,585	88	1,585
Unrealised loss/(gain) on foreign exchange	461	(2)	(266)	(802)

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	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2023 RM'000	Corresponding preceding quarter ended 31.12.2022 RM'000	Cumulative period ended 31.12.2023 RM'000	Corresponding preceding period ended 31.12.2022 RM'000
Current tax expense				
- Current year	(339)	(880)	(1,623)	(1,642)
- Prior year	-	271	(1,455)	(1,697)
Deferred tax expense				
- Current year	956	(2,347)	956	(2,347)
- Prior year	(123)	(48)	(123)	(48)
Deferred tax asset				
- Current year	1,902	-	1,902	-
- Prior year	(169)	-	(169)	-
Real property gain tax ("RPGT")	(153)	-	(153)	(249)
	<u>2,074</u>	<u>(3,004)</u>	<u>(665)</u>	<u>(5,983)</u>

The decrease in taxation was mainly due to the decrease of deferred tax expense as compared to previous year corresponding preceding period ended.

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#### **21. Status of corporate proposal announced**

On 9 February 2021, the Company announced on the 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 Employees' Share Option Scheme("ESOS"); and
- iv. Proposed Amendments to Company's Constitution

Additional announcements were made on the 12 April 2021, 7 May 2021, 6 August 2021, 8 September 2021, 4 October 2021, 8 October 2021, 20 October 2021, 23 November 2021, 9 December 2021, 21 January 2022, 8 February 2022, 7 March 2022, 23 March 2022, 24 March 2022 and 8 April 2022 to provide additional information.

The proposed acquisition of LTSB was completed on 12 May 2022.

On 8 August 2022, the Company announced Multiple Proposals which include:

- i. Proposed disposal of 15,300,000 ordinary shares in LTSB representing 51% equity interest in LTSB
- ii. Proposed Rescission of the profit guarantee and call option granted by LTSB shareholders to the Group, as well as the Stakeholder Agreement dated 5 May 2022 entered between the Group, LTSB shareholders and Malaysian Trustee Berhad.

Additional announcements were made on the 5 October 2022, 4 November 2022, 8 November 2022 and 10 November 2022 to provide additional information.

The disposal of LTSB was completed on 7 February 2023.

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

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**EONMETALL GROUP BERHAD****(Company No. 631617-D)****(Incorporated in Malaysia)****SELECTED EXPLANATORY NOTES  
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On 30 August 2022, the Company announced that the Proposed Disposal of 15,300,000 ordinary shares which equivalent to 51% of shares in LTSB for a cash consideration of RM35,700,000.

As at 31 December 2023, the status of utilisation of proceeds raised pursuant to the Proposed Disposal of LTSB 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 steel manufacturing facilities	17,000	17,000	-	Within thirty (30) months from the date of completion of the Proposed Disposal
Repayment of borrowings	12,000	12,000	-	Within six (6) months from the date of completion of the Proposed Disposal
Working capital	6,040	6,040	-	Within six (6) months from the date of completion of the Proposed Disposal
Estimated expenses*	660	660	-	Immediate
	<u>35,700</u>	<u>35,700</u>	<u>-</u>	

\* The estimated expenses comprising professional fees payable to the Principal Adviser, solicitors, Independent Adviser, company secretaries and share registrar for the Proposals.



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**SELECTED EXPLANATORY NOTES  
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The Group's borrowings for the financial year ended 31 December 2023 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	15,488	24,940
	15,488	24,940
<b><u>Unsecured</u></b>		
Bank overdrafts	11,007	-
Bankers' acceptances	62,360	-
Revolving credits	35,950	-
Trust receipts	20,101	-
	129,418	-
<b>Total borrowings</b>	<b>144,906</b>	<b>24,940</b>

The Group's borrowings for the financial year ended 31 December 2022 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	22,628	11,977
	22,628	11,977
<b><u>Unsecured</u></b>		
Bank overdrafts	10,168	-
Bankers' acceptances	89,114	-
Revolving credits	26,450	-
Trust receipts	9,460	-
	135,192	-
<b>Total borrowings</b>	<b>157,820</b>	<b>11,977</b>

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**23. Group borrowings (Con't)**

Eonmetall Industries Sdn. Bhd. ("EMI") has breached the covenant of Trade Facilities as the Company has not fulfilled the requirements of two banks to maintain an amount owing to related parties of not exceeding RM14.0 million and RM14.9 million respectively. As at 31 December 2022, the balance of the said amount owing to the Company is at RM34.6 million. Banks have the absolute discretion to revise or recall banking facilities in the event of breach of covenant.

The subsidiary has made subsequent partial settlements of the advances and has secured the necessary indulgence from both banks.

**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 2023, the group acquired assets with a cost of RM70.4 million (Financial year ended 31 December 2022: RM13.8 million).

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**SELECTED EXPLANATORY NOTES  
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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 31.12.2023	Corresponding preceding quarter ended 31.12.2022	Cumulative year ended 31.12.2023	Corresponding preceding year ended 31.12.2022
Profit/(loss) after tax attributable to owners of the Company (RM'000)	(12,050)	(13,106)	(7,057)	17,675
<b>Basic:</b> Weighted average number of shares in issue ('000)	280,032	276,568	276,752	250,419
Basic earnings per share (sen)	<u>(4.30)</u>	<u>(4.74)</u>	<u>(2.55)</u>	<u>7.06</u>
<b>Diluted:</b>				
Weighted average number of shares in issue (basic) ('000)	280,032	276,568	276,752	250,419
Effect of ESOS ('000)	6,672	-	6,672	-
Weighted average number of shares in issue ('000)	286,704	276,568	283,424	250,419
Diluted earnings per share (sen)	<u>(4.20)</u>	<u>(4.74)</u>	<u>(2.49)</u>	<u>7.06</u>

The calculation for diluted earnings per share is calculated by dividing the profit attributable to owners of the Company to the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

By order of the Board

Yeoh Cheng Chye  
Managing Director & Chief Executive Officer  
29 February 2024