



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial period ended 30 September 2024**

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current year quarter to 30 September 2024 RM'000	Preceding year quarter to 30 September 2023 RM'000	Current year to 30 September 2024 RM'000	Preceding year to 30 September 2023 RM'000
Revenue	108,371	99,094	296,389	248,876
Other income	1,921	1,658	3,004	23,857
Operating profit before finance costs, depreciation and amortisation, income tax and non-controlling interests	12,248	5,033	26,485	3,990
Bargain purchase gain on acquisition of a subsidiary	-	-	-	20,221
Depreciation and amortisation	(6,821)	(8,412)	(20,690)	(24,398)
Impairment losses on property, plant and equipment	-	(38,930)	-	(38,930)
Profit/(Loss) from operations	5,427	(42,309)	5,795	(39,117)
Finance costs	(3,963)	(3,670)	(11,455)	(9,267)
Profit/(Loss) before tax	1,464	(45,979)	(5,660)	(48,384)
Tax credit/(expense)	206	86	68	(55)
Net profit/(loss) for the financial period	1,670	(45,893)	(5,592)	(48,439)
Total comprehensive income/(loss) for the financial period	1,670	(45,893)	(5,592)	(48,439)
Net income/(loss) attributable to owners of the Company	1,670	(45,893)	(5,592)	(48,439)
Total comprehensive income/(loss) attributable to owners of the Company	1,670	(45,893)	(5,592)	(48,439)
Basic earnings/(loss) per share (sen)	0.17	(4.59)	(0.56)	(4.84)
Diluted earnings/(loss) per share (sen)	0.17	(4.59)	(0.56)	(4.84)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**Condensed Consolidated Statement of Financial Position as at 30 September 2024**

The figures have not been audited.

	(Unaudited) As at 30 September 2024 RM'000	(Audited) As at 31 December 2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	273,082	300,140
Investment properties	25,375	25,405
Right-of-use assets	104,563	113,790
Deferred tax assets	4,986	4,986
Biological assets	15,468	11,325
Intangible assets	1,915	1,919
Other financial assets	725	725
	426,114	458,290
<b>Current assets</b>		
Inventories	94,215	76,659
Trade receivables	49,025	50,881
Other receivables	13,208	14,706
Tax recoverable	1,493	748
Fixed deposits with licensed banks	13,591	13,320
Cash and bank balances	6,751	5,365
	178,283	161,679
Assets held for sale	63,268	42,454
	241,551	204,133
<b>TOTAL ASSETS</b>	667,665	662,423
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	276,666	276,666
Reserves		
Foreign currency reserve	(78)	(78)
Retained earnings	44,302	49,894
<b>Total equity</b>	320,890	326,482
<b>Non-current liabilities</b>		
Other payables	9,922	20,800
Bank borrowings	87,607	99,864
Lease liabilities	6,848	9,968
Employee defined benefit plan	5,243	7,603
Deferred tax liability	1,395	1,395
	111,015	139,630
<b>Current liabilities</b>		
Trade payables	51,191	53,362
Other payables	29,485	27,155
Lease liabilities	3,518	3,654
Bank borrowings	151,566	112,140
	235,760	196,311
<b>TOTAL EQUITY AND LIABILITIES</b>	667,665	662,423
Net assets per share attributable to equity holders of the Company (RM)	0.32	0.33

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the explanatory notes attached to this interim financial report.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2024**

The figures have not been audited.

	Attributable to equity holders of the Company			Total equity RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
As at 1 January 2024	276,666	(78)	49,894	326,482
Total comprehensive loss for the financial period	-	-	(5,592)	(5,592)
As at 30 September 2024	276,666	(78)	44,302	320,890
As at 1 January 2023	276,666	(54)	114,993	391,605
Total comprehensive loss for the financial period	-	-	(48,439)	(48,439)
As at 30 September 2023	276,666	(54)	66,554	343,166

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2024**

The figures have not been audited.

	<b>Current year to 30 September 2024 RM'000 (Unaudited)</b>	<b>Preceding year to 30 September 2023 RM'000 (Audited)</b>
<u>Cash flows (used in)/from operating activities</u>		
– Loss before tax	(5,660)	(48,384)
– Adjustments for non-cash and non-operating items		
• Other non-cash and non-operating items	33,149	53,296
	<u>27,489</u>	<u>4,912</u>
– Changes in working capital		
• (Increase)/Decrease in inventories	(17,556)	1,387
• Decrease/(Increase) in receivables	4,338	(14,921)
• Decrease in payables	(14,401)	(12,373)
	<u>(130)</u>	<u>(20,995)</u>
– Payment of defined benefit plan	(3,097)	(1,021)
– Income tax paid	(600)	(435)
– Interest income received	210	456
Net cash used in operating activities	<u>(3,617)</u>	<u>(21,995)</u>
<u>Cash flows from/ (used in) investing activities</u>		
– Net acquisition of a subsidiary	131	(47,816)
– Purchase of property, plant and equipment and other non-current asset	(6,058)	(13,993)
– Proceeds from disposal of property, plant and equipment	734	-
– Purchase of biological assets	(1,991)	-
Net cash used in investing activities	<u>(7,184)</u>	<u>(61,809)</u>
<u>Cash flows from/(used in) financing activities</u>		
– (Repayment)/Drawdown of term loans	(8,404)	36,094
– (Repayment)/Proceeds of lease liabilities	(3,256)	1,356
– Increase in fixed deposits pledged with licensed banks	(271)	(57)
– Net proceeds of bankers' acceptance/invoice financing	32,778	9,358
– Financing expenses	(11,455)	(9,267)
– Proceeds of overdraft facility	2,795	2,253
Net cash from financing activities	<u>12,187</u>	<u>39,737</u>
Net increase/(decrease) in cash and cash equivalents	1,386	(44,067)
Cash and cash equivalents at 1 January	5,365	58,116
Cash and cash equivalents at 30 September	<u><u>6,751</u></u>	<u><u>14,049</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**PART A: Explanatory Notes of MFRS 134**

**1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

**2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2023 except for the adoption of the following standards which are applicable to its financial statements and effective for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16	:	Lease Liability in a Sale and Lease Back
Amendments to MFRS 101	:	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	:	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	:	Supplier Finance Arrangements

**3. Auditors' report of preceding annual financial statements for financial year ended 31 December 2023**

The audit report of the Group's financial statements for the financial year ended 31 December 2023 was not qualified.

**4. Seasonality or cyclicity of interim operations**

Demand for particleboard, rubberwood and related products are generally seasonal and are also affected by domestic and global economic conditions.

**5. Exceptional items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2024.

**6. Change in estimates**

There were no changes in estimates that have had a material effect for the financial period ended 30 September 2024.

**7. Issuance and repayment of debt and equity securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the financial period ended 30 September 2024.

**8. Dividends paid**

There were no dividends paid for the financial period ended 30 September 2024.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**9. Segmental reporting**

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 September 2024 RM'000	Preceding year to 30 September 2023 RM'000	As at 30 September 2024 RM'000	As at 30 September 2023 RM'000	Current year to 30 September 2024 RM'000	Preceding year to 30 September 2023 RM'000
Malaysia	263,352	221,089	667,665	685,986	6,058	13,993
South East Asia	16,788	7,679	-	-	-	-
Middle East and South Asia	6,680	5,563	-	-	-	-
Hong Kong and China	1,147	7,265	-	-	-	-
Others	8,422	7,280	-	-	-	-
	<u>296,389</u>	<u>248,876</u>	<u>667,665</u>	<u>685,986</u>	<u>6,058</u>	<u>13,993</u>

**10. Valuation of property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

**11. Material events subsequent to the financial period ended 30 September 2024**

On 30 October 2024, Seng Yip Furniture Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for disposal of freehold land and building held under GM 983, Lot 1225, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor for a consideration of RM15.0 million.

The disposal is yet to be completed as at the date of this report.

**12. Changes in the composition of the Group during the financial period ended 30 September 2024**

There were no changes in the composition of the Group during the financial period ended 30 September 2024, other than the following:

(a) On 4 June 2024, Suruhanjaya Syarikat Malaysia had approved and gazetted that Tudor Capital Sdn Bhd, a wholly-owned subsidiary of the Company was struck off from the Register pursuant to Section 549 of the Act. The striking off did not have any material financial effect to the Group; and

(b) On 21 August 2024, a wholly-owned subsidiary of the Company, Mieco Reforestation Sdn Bhd, acquired 100% equity interest in Maritime Skills Resources Sdn Bhd, comprising of 1,000,000 ordinary shares of RM1.00 each.

**13. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at the date of the financial report.

**14. Capital commitments**

Capital commitments not provided for in the interim financial report as at 30 September 2024 were as follows:-

	RM'000
<i>Approved and contracted</i>	
Property, plant and equipment	<u>2,978</u>



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**15. Significant related party transactions**

The Group had the following transactions with related parties during the financial period ended 30 September 2024:

	<b>RM'000</b>
<u>Transaction with a company in which two Directors of the Company are also directors and one of whom has substantial financial interest</u>	
Lease expenses paid	<u>72</u>
<u>Transaction with a Director</u>	
Lease expenses paid	<u>142</u>



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**PART B: Explanatory Notes of Bursa Malaysia Listing Requirements**

**1. Review of performance**

**Quarter on quarter review**

The Group recorded revenue of RM108.4 million in the current quarter, increased by 9% from RM99.1 million in the preceding year quarter. The higher revenue was mainly due to increase in sales volume and favourable sales mix from higher value products sold.

The Group turned into net profit of RM1.7 million as compared to net loss of RM45.9 million, mainly due to one-off impairment losses on plant and machinery of RM38.9 million recorded in the preceding year quarter. Apart from that, the higher sales and improvement in production efficiency also contributed to the turnaround.

**Year on year review**

For the cumulative nine months of 2024, the Group's revenue rose by 19% or RM47.5 million to RM296.4 million, against RM248.9 million in 2023. The higher revenue was mainly attributed to the improved sales volume and favourable sales mix.

The Group's year-to-date net loss narrowed to RM5.6 million against RM48.4 million, mainly due to one-off impairment losses on plant and machinery of RM38.9 million provided last year.

**2. Material changes in profit before taxation for the quarter against the immediate preceding quarter**

The Group's revenue for the current quarter increased by 23% to RM108.4 million from RM88.2 million in the immediate preceding quarter as a result of higher sales volume and favourable sales mix.

The Group has turned around its financial performance, achieving a net profit of RM1.7 million, compared to a net loss of RM4.4 million in the immediate preceding quarter mainly attributed to higher revenue and enhanced productivity.

**3. Prospects**

The Group is cautiously optimistic of achieving a more sustainable performance and satisfactory results moving forward. The consolidation of operations of our Pahang plants which were completed during 2023 are expected to be fully crystalised, this would improve the Group production efficiency and elimination of duplicate resources and costs.

The Group will continue to persevere with its on-going strategy to improve the production efficiency and products competitiveness while pursuing various alternative actions to improve its financial position.

**4. Variance of actual profit from forecast profit**

The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.





**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**5. Profit/(Loss) before tax**

	<b>Current year quarter to 30 September 2024 RM'000</b>	<b>Preceding year quarter to 30 September 2023 RM'000</b>	<b>Current year to 30 September 2024 RM'000</b>	<b>Preceding year to 30 September 2023 RM'000</b>
Profit/(Loss) before tax is arrived at after charging/(crediting):-				
Interest income	(90)	(249)	(210)	(456)
Interest expense	3,963	3,670	11,455	9,267
Depreciation and amortisation	6,821	8,412	20,690	24,398
Realised foreign exchange gain	(184)	(366)	(689)	(652)
Unrealised foreign exchange loss	-	-	313	111
Loss on disposal of property, plant and equipment	164	-	164	-

**6. Tax credit/(expense)**

	<b>Current quarter to 30 September 2024 RM'000</b>	<b>Current year to 30 September 2024 RM'000</b>
In respect of current year		
- Malaysian income tax	206	68

The Group's effective income tax rate for the current year under review was lower than statutory tax rate mainly due to most of the subsidiaries were in loss position or have sufficient unutilised business losses and capital allowances.

**7. Status of corporate proposals**

As at the date of this report, there are no corporate proposals announced and pending completion.

**8. Borrowings and debt securities**

The Group's bank borrowings are all denominated in Ringgit Malaysia. The details of the Group's bank borrowings as at 30 September 2024 are as follows:-

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
<u>Secured</u>			
Bank overdrafts	4,707	-	4,707
Bankers' acceptance and invoice financing	115,798	-	115,798
Revolving credit	14,000	-	14,000
Term loans	17,061	87,607	104,668
	151,566	87,607	239,173

**9. Derivative financial instruments**

There was no outstanding foreign currency forward contract as at 30 September 2024.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**10. Fair value changes of financial instruments**

The Group did not enter into any derivatives during the current financial quarter and financial year-to-date.

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 : Inputs are unobservable inputs for the asset or liability

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>As at 30 September 2024</u>				
Derivative financial assets	-	-	-	-
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<u>As at 30 September 2023</u>				
Derivative financial assets	-	-	-	-
	<hr/>			

**11. Changes in material litigation**

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

**12. Dividend**

The Directors do not propose any dividend for the financial period ended 30 September 2024. No dividend was declared last year.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**

**13. Earnings/(Loss) per share**

	<b>Current year quarter to 30 September 2024</b>	<b>Preceding year quarter to 30 September 2023</b>	<b>Current year to 30 September 2024</b>	<b>Preceding year to 30 September 2023</b>
<b>(a) Basic earnings/(loss) per share</b>				
Net income/ (loss) attributable to the owners of the Company (RM'000)	1,670	(45,893)	(5,592)	(48,439)
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings/(Loss) per share (sen)	<u>0.17</u>	<u>(4.59)</u>	<u>(0.56)</u>	<u>(4.84)</u>

**(b) Diluted earnings/(loss) per share**

Diluted earnings/(loss) per share is equivalent to the basic earnings/(loss) per share as there are no dilutive potential ordinary shares as at the reporting date.

**BY ORDER OF THE BOARD  
MIECO CHIPBOARD BERHAD**

Ng Geok Lian  
Company Secretary  
Selangor

19 November 2024