



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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2024

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current year quarter to 31 December 2024 RM'000	Preceding year quarter to 31 December 2023 RM'000	Current year to 31 December 2024 RM'000	Preceding year to 31 December 2023 RM'000
Revenue	111,609	109,993	407,998	358,869
Other income	9,204	8,163	12,208	32,020
Operating profit/(loss) before finance costs, depreciation and amortisation, income tax and non-controlling interests	21,851	(6,126)	48,338	(2,138)
Bargain purchase gain on acquisition of a subsidiary	-	2,186	-	22,407
Depreciation and amortisation	(6,908)	(6,316)	(27,599)	(30,714)
Impairment losses on property, plant and equipment and assets held for sale	(2,753)	-	(2,753)	(38,928)
Profit/(Loss) from operations	12,190	(10,256)	17,986	(49,373)
Finance costs	(3,623)	(3,994)	(15,078)	(13,261)
Profit/ (Loss) before tax	8,567	(14,250)	2,908	(62,634)
Tax expense	(1,440)	(2,410)	(1,372)	(2,465)
Net profit/ (loss) for the financial year	7,127	(16,660)	1,536	(65,099)
Other comprehensive income for the financial year:				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of employee defined benefit plan	1,028	-	1,028	-
Total comprehensive income/(loss) for the financial year	8,155	(16,660)	2,564	(65,099)
Net income/ (loss) attributable to owners of the Company	7,127	(16,660)	1,536	(65,099)
Total comprehensive income/ (loss) attributable to owners of the Company	8,155	(16,660)	2,564	(65,099)
Basic earnings/ (loss) per share (sen)	0.71	(1.67)	0.15	(6.51)
Diluted earnings/ (loss) per share (sen)	0.71	(1.67)	0.15	(6.51)

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 31 December 2024
The figures have not been audited.

	(Unaudited) As at 31 December 2024 RM'000	(Audited) As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	273,916	300,140
Investment properties	18,450	25,405
Right-of-use assets	102,679	113,790
Deferred tax assets	4,986	4,986
Biological assets	17,072	11,325
Intangible assets	1,904	1,919
Other financial assets	1,563	725
	420,570	458,290
Current assets		
Inventories	84,386	76,659
Trade receivables	40,059	50,881
Other receivables	14,935	14,706
Tax recoverable	1,475	748
Fixed deposits with licensed banks	13,884	13,320
Cash and bank balances	9,856	5,365
	164,595	161,679
Assets held for sale	68,390	42,454
	232,985	204,133
TOTAL ASSETS	653,555	662,423
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	276,666	276,666
Reserves		
Foreign currency reserve	(78)	(78)
Retained earnings	52,458	49,894
Total equity	329,046	326,482
Non-current liabilities		
Other payables	2,122	20,800
Bank borrowings	83,148	99,864
Lease liabilities	5,093	9,968
Employee defined benefit plan	4,162	7,603
Deferred tax liability	2,729	1,395
	97,254	139,630
Current liabilities		
Trade payables	42,342	53,362
Other payables	35,413	27,155
Lease liabilities	3,849	3,654
Bank borrowings	145,651	112,140
	227,255	196,311
TOTAL EQUITY AND LIABILITIES	653,555	662,423
Net assets per share attributable to equity holders of the Company (RM)	0.33	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 year ended 31 December 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 income for the financial year:				
- Profit for the financial year	-	-	1,536	1,536
- Remeasurement of employee defined benefit plan	-	-	1,028	1,028
As at 31 December 2024	276,666	(78)	52,458	329,046
As at 1 January 2023	276,666	(54)	114,993	391,605
Total comprehensive loss for the financial year	-	(24)	(65,099)	(65,123)
As at 31 December 2023	276,666	(78)	49,894	326,482

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 year ended 31 December 2024

The figures have not been audited.

	Current year to 31 December 2024 RM'000 (Unaudited)	Preceding year to 31 December 2023 RM'000 (Audited)
<u>Cash flows from/ (used in) operating activities</u>		
– Profit/ (Loss) before tax	2,908	(62,634)
– Adjustments for non-cash and non-operating items		
• Other non-cash and non-operating items	45,757	60,539
	<u>48,665</u>	<u>(2,095)</u>
– Changes in working capital		
• (Increase)/ Decrease in inventories	(7,727)	15,856
• Decrease/ (Increase) in receivables	11,666	(15,412)
• Decrease in payables	(25,094)	(12,478)
	<u>27,510</u>	<u>(14,129)</u>
– Payment of defined benefit plan	(3,105)	(2,215)
– Income tax paid	(684)	(832)
– Interest income received	426	700
Net cash from/ (used in) operating activities	<u>24,147</u>	<u>(16,476)</u>
<u>Cash flows from/ (used in) investing activities</u>		
– Net cash inflow/ (outflow) arising from acquisition of a subsidiary	131	(44,532)
– Purchase of property, plant and equipment and other non-current asset	(13,387)	(7,017)
– Proceeds from disposal of property, plant and equipment	1,657	-
– Purchase of biological assets	(3,595)	(6,403)
– Purchase of other financial asset	(838)	(726)
Net cash used in investing activities	<u>(16,032)</u>	<u>(58,678)</u>
<u>Cash flows from/ (used in) financing activities</u>		
– (Repayment)/ Drawdown of term loans	(12,152)	34,056
– (Repayment)/ Proceeds of lease liabilities	(4,767)	(3,108)
– Increase in fixed deposits pledged with licensed banks	(564)	(3,497)
– Net proceeds of bankers' acceptance/invoice financing	29,529	7,644
– Financing expenses	(15,078)	(13,261)
– (Repayment)/ Proceeds of overdraft facility	(592)	569
Net cash (used in)/ from financing activities	<u>(3,624)</u>	<u>22,403</u>
Net increase/ (decrease) in cash and cash equivalents	4,491	(52,751)
Cash and cash equivalents at 1 January	5,365	58,116
Cash and cash equivalents at 31 December	<u>9,856</u>	<u>5,365</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 years 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 year ended 31 December 2024.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial year ended 31 December 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 year ended 31 December 2024.

8. Dividends paid

There were no dividends paid for the financial year ended 31 December 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 31 December 2024	Preceding year to 31 December 2023	As at 31 December 2024	As at 31 December 2023	Current year to 31 December 2024	Preceding year to 31 December 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	363,615	322,510	653,555	662,423	13,387	7,017
South East Asia	24,320	9,564	-	-	-	-
Middle East and South Asia	7,964	7,145	-	-	-	-
Hong Kong and China	1,310	10,120	-	-	-	-
Others	10,789	9,530	-	-	-	-
	<u>407,998</u>	<u>358,869</u>	<u>653,555</u>	<u>662,423</u>	<u>13,387</u>	<u>7,017</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 year ended 31 December 2024

There were no material events subsequent to the financial year except the following:

(a) The 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 by Seng Yip Furniture Sdn Bhd, a wholly-owned subsidiary of the Company has been completed on 14 February 2025; and

(b) On 20 January 2025, Mieco Manufacturing Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional sales and purchase agreement for disposal of two pieces of leasehold land together with buildings erected thereon held under Lot 73 & 74, Kawasan Perindustrian Gebeng, Kuantan, Pahang for a total cash consideration of RM40.0 million.

12. Changes in the composition of the Group during the financial year ended 31 December 2024

There were no changes in the composition of the Group during the financial year ended 31 December 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.



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

14. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 December 2024 were as follows:-

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

15. Significant related party transactions

The Group had the following transactions with related parties during the financial year ended 31 December 2024:

	RM'000
<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>96</u>
<u>Transaction with a Director</u>	
Lease expenses paid	<u>190</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 RM111.6 million in the current quarter, increased marginally by 1% from RM110.0 million in the preceding year quarter.

The Group recorded a net profit of RM7.1 million in the current quarter as compared to net loss of RM16.7 million in last year. This was mainly attributed to better profit margin resulted from favourable sales mix and improvement in operation due to reduction in factory overheads and enhanced production efficiency.

Year on year review

For the whole financial year of 2024, the Group's revenue rose by 14% or RM49.1 million to RM408.0 million, against RM358.9 million in year 2023. The higher revenue was mainly attributed to the improved sales volume and favourable sales mix.

The Group recorded a turnaround net profit of RM1.5 million from a net loss of RM65.1 million in last financial year mainly due to the higher sales and improved production efficiency. There was one-off impairment losses on plant and machinery of RM38.9 million provided in the last financial year.

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

The Group's revenue in the current quarter increased by 3% to RM111.6 million from RM108.4 million in the immediate preceding quarter mainly as a result of higher sales volume and favourable sales mix.

The Group registered net profit of RM7.1 million as compared to RM1.7 million in the immediate preceding quarter largely attributed to higher sales, reduction in factory overheads and enhanced productivity.

3. Prospects

The global economy is expected to continue growing at a sustained pace in year 2025 while the growth of Malaysia economy is expected to trend higher, lifted by recovery in exports and resilient domestic expenditure. The Group is cautiously optimistic of maintaining the current performance and endeavour to achieve a more sustainable performance by further improvement of productivity and reducing production cost via stringent controls over raw material procurement and utilisation of key raw materials.

The Group will continue to focus on cost control, explore new markets, and develop new products to sustain its operations.

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

	Current year quarter to 31 December 2024 RM'000	Preceding year quarter to 31 December 2023 RM'000	Current year to 31 December 2024 RM'000	Preceding year to 31 December 2023 RM'000
Profit/ (Loss) before tax is arrived at after charging/ (crediting):-				
Interest income	(216)	(244)	(426)	(700)
Interest expense	3,623	3,994	15,078	13,261
Depreciation and amortisation	6,908	6,316	27,599	30,714
Realised foreign exchange gain	(597)	(124)	(1,286)	(776)
Unrealised foreign exchange gain	(581)	(624)	(268)	(513)
Allowance/ (Reversal) for inventories obsolescence	66	(567)	66	(567)
Impairment losses on receivables	464	-	464	-
Impairment losses on property, plant and equipment and assets held for sale	2,753	-	2,753	38,928
(Gain)/ Loss on disposal of property, plant and equipment	(193)	21	(29)	21

6. Tax expense

	Current quarter to 31 December 2024 RM'000	Current year to 31 December 2024 RM'000
In respect of current year		
- Malaysian income tax	(106)	(38)
- Deferred tax	(1,334)	(1,334)
	(1,440)	(1,372)

The Group's effective income tax rate for the current year under review was lower than statutory tax rate mainly due to the subsidiaries 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.



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

8. Borrowings and debt securities

The Group's bank borrowings are all denominated in Ringgit Malaysia and the details as at 31 December 2024 are as follows:-

	Current RM'000	Non-current RM'000	Total RM'000
<u>Secured</u>			
Bank overdrafts	1,330	-	1,330
Bankers' acceptance and invoice financing	112,549	-	112,549
Revolving credit	14,000	-	14,000
Term loans	17,772	83,148	100,920
	<u>145,651</u>	<u>83,148</u>	<u>228,799</u>

9. Derivative financial instruments

There was no outstanding foreign currency forward contract as at 31 December 2024.

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>As at 31 December 2024</u>				
Derivative financial assets	-	-	-	-
<u>As at 31 December 2023</u>				
Derivative financial assets	-	-	-	-

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 year ended 31 December 2024. No dividend was declared last year.



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

13. Earnings/ (Loss) per share

	Current year quarter to 31 December 2024	Preceding year quarter to 31 December 2023	Current year to 31 December 2024	Preceding year to 31 December 2023
(a) Basic earnings/ (loss) per share				
Net income/ (loss) attributable to the owners of the Company (RM'000)	7,127	(16,660)	1,536	(65,099)
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>0.71</u>	<u>(1.67)</u>	<u>0.15</u>	<u>(6.51)</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

26 February 2025