



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 2025

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current year quarter to 31 December 2025 RM'000	Preceding year quarter to 31 December 2024 RM'000	Current year to 31 December 2025 RM'000	Preceding year to 31 December 2024 RM'000
Revenue	84,247	111,609	361,851	407,998
Operating profit/ (loss) before finance costs, depreciation, amortisation and income tax	(17,587)	21,472	12,093	47,957
Gain on disposal of property, plant and equipment	10,458	29	17,784	29
Depreciation and amortisation	(8,103)	(6,546)	(29,292)	(27,236)
Impairment losses on assets held for sale	-	(2,754)	-	(2,754)
Profit/(Loss) from operations	(15,232)	12,201	585	17,996
Finance costs	(1,042)	(3,633)	(12,596)	(15,088)
Profit/ (Loss) before tax	(16,274)	8,568	(12,011)	2,908
Taxation	1,688	(1,440)	(604)	(1,372)
Net profit/ (loss) for the financial year	(14,586)	7,128	(12,615)	1,536
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	(14,586)	8,156	(12,615)	2,564
Net income/ (loss) attributable to owners of the Company	(14,586)	7,128	(12,615)	1,536
Total comprehensive income/ (loss) attributable to owners of the Company	(14,586)	8,156	(12,615)	2,564
Basic earnings/ (loss) per share (sen)	(1.46)	0.71	(1.26)	0.15
Diluted earnings/ (loss) per share (sen)	(1.46)	0.71	(1.26)	0.15

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 2024 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 2025
The figures have not been audited.

	(Unaudited) As at 31 December 2025 RM'000	(Audited) As at 31 December 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	236,793	273,900
Investment properties	25,000	18,450
Right-of-use assets	96,129	102,679
Deferred tax assets	4,986	4,986
Biological assets	20,310	17,072
Intangible assets	1,862	1,904
Other financial assets	1,574	1,563
	<u>386,654</u>	<u>420,554</u>
Current assets		
Inventories	77,457	84,386
Trade receivables	39,418	40,098
Other receivables	10,131	14,941
Tax recoverable	1,113	1,475
Fixed deposits with licensed banks	18,401	13,884
Cash and bank balances	15,824	9,856
	<u>162,344</u>	<u>164,640</u>
Assets held for sale	79,902	68,406
	<u>242,246</u>	<u>233,046</u>
TOTAL ASSETS	<u>628,900</u>	<u>653,600</u>
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	39,843	52,458
Total equity	<u>316,431</u>	<u>329,046</u>
Non-current liabilities		
Other payables	10,913	2,122
Bank borrowings	53,656	83,148
Lease liabilities	3,935	5,093
Employee defined benefit plan	4,577	4,162
Deferred tax liability	104	2,729
	<u>73,185</u>	<u>97,254</u>
Current liabilities		
Trade payables	54,150	42,342
Other payables	61,015	35,458
Lease liabilities	2,964	3,849
Bank borrowings	121,147	145,651
Tax payable	8	-
	<u>239,284</u>	<u>227,300</u>
TOTAL EQUITY AND LIABILITIES	<u>628,900</u>	<u>653,600</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.32</u>	<u>0.33</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 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 2025

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 2025	276,666	(78)	52,458	329,046
Total comprehensive loss for the financial year	-	-	(12,615)	(12,615)
As at 31 December 2025	276,666	(78)	39,843	316,431
As at 1 January 2024	276,666	(78)	49,894	326,482
Total comprehensive income for the financial year	-	-	1,536	1,536
Other comprehensive income for the financial year	-	-	1,028	1,028
As at 31 December 2024	276,666	(78)	52,458	329,046

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 2024 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 2025
The figures have not been audited.

	Current year to 31 December 2025 RM'000 (Unaudited)	Preceding year to 31 December 2024 RM'000 (Audited)
<u>Cash flows from / (used in) operating activities</u>		
– Profit/ (loss) before tax	(12,011)	2,908
– Adjustments for non-cash and non-operating items		
• Other non-cash and non-operating items	18,117	45,757
	<u>6,106</u>	<u>48,665</u>
– Changes in working capital		
• Decrease/ (Increase) in inventories	6,929	(7,727)
• Decrease in receivables	5,490	11,666
• Increase/ (Decrease) in payables	13,701	(25,094)
	<u>32,226</u>	<u>27,510</u>
– Payment of defined benefit plan	(737)	(3,105)
– Tax paid	(2,485)	(684)
– Interest income received	259	426
Net cash from operating activities	<u>29,263</u>	<u>24,147</u>
<u>Cash flows from/ (used in) investing activities</u>		
– Net acquisition of a subsidiary	-	131
– Purchase of property, plant and equipment and right-of-use assets	(29,340)	(13,387)
– Purchase of biological assets	(3,238)	(3,595)
– Proceeds from disposal of property, plant and equipment	82,448	1,657
– Purchase of other financial asset	(11)	(838)
Net cash from/ (used in) investing activities	<u>49,859</u>	<u>(16,032)</u>
<u>Cash flows from/ (used in) financing activities</u>		
– Repayment of lease liabilities	(2,045)	(4,767)
– Increase of fixed deposits with licensed banks	(4,517)	(564)
– (Repayment)/ Proceeds of bank borrowings	(53,996)	16,795
– Financing expenses	(12,596)	(15,088)
Net cash used in financing activities	<u>(73,154)</u>	<u>(3,624)</u>
Net increase in cash and cash equivalents	5,968	4,491
Cash and cash equivalents at 1 January	<u>9,856</u>	<u>5,365</u>
Cash and cash equivalents at 31 December	<u>15,824</u>	<u>9,856</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 2024 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 2024. 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 2024.

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 2024 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 2025:

Amendments to MFRS 121 : Lack of Exchangeability

3. Auditors' report of preceding annual financial statements for financial year ended 31 December 2024

The audit report of the Group's financial statements for the financial year ended 31 December 2024 was not qualified.

4. Seasonality or cyclical nature 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 2025.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial year ended 31 December 2025.

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 2025.

8. Dividends paid

There were no dividends paid for the financial year ended 31 December 2025.



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 2025 RM'000	Preceding year to 31 December 2024 RM'000	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000	Current year to 31 December 2025 RM'000	Preceding year to 31 December 2024 RM'000
Malaysia	348,889	363,615	628,900	653,600	29,340	13,387
South East Asia	7,150	24,320	-	-	-	-
Middle East and South Asia	2,983	7,964	-	-	-	-
Hong Kong and China	210	1,310	-	-	-	-
Others	2,619	10,789	-	-	-	-
	<u>361,851</u>	<u>407,998</u>	<u>628,900</u>	<u>653,600</u>	<u>29,340</u>	<u>13,387</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 2025

The following disposal of property by a subsidiary of the Company has been completed subsequent to the financial year ended 31 December 2025:

- Lot 73 & 74, Gebeng Industrial Area, Kuantan, Pahang on 30 January 2026.

12. Changes in the composition of the Group during the financial year ended 31 December 2025

There were no changes in the composition of the Group during the financial year ended 31 December 2025.

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

There were no material capital commitments as at 31 December 2025.

15. Significant related party transactions

The Group had the following transactions with related parties during the financial year ended 31 December 2025:

	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>



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's revenue declined by 25% to RM84.2 million compared to RM111.6 million recorded in the corresponding quarter of the preceding year. The decrease was primarily attributable to lower sales volume and reduced average selling prices amid softer market demand.

The Group recorded a loss before tax of RM16.3 million for the current quarter, as opposed to a profit before tax of RM8.6 million in the corresponding quarter last year. The deterioration in performance was mainly due to:

- Lower contribution margin resulting from reduced sales volume and pricing pressure;
- Higher production costs associated with the Group's diversification into wood pellet manufacturing; and
- Operational inefficiencies arising from the learning curve and trial runs of newly introduced product lines, which have yet to achieve optimal economies of scale.

The impact of the above was partially mitigated by gains recognised from the disposal of property, plant and equipment during the quarter.

Year on year review

For the financial year ended 31 December 2025, the Group recorded revenue of RM361.9 million, representing a decline of 11% compared to RM408.0 million recorded in the previous year. The decrease was mainly due to lower sales volume and average selling prices.

The Group posted a loss before tax of RM12.0 million, compared to profit before tax of RM2.9 million in the preceding year. The deterioration in profitability was mainly driven by the lower revenue, margin compression and higher operating costs during the financial year.

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

The Group recorded a loss before tax of RM16.3 million for the current quarter compared to profit before tax of RM0.5 million in the immediate preceding quarter. The increased loss was mainly due to the lower average selling price, margin compression and higher operating costs in the current quarter.

3. Prospects

As the Group enters 2026, it remains focused on two key strategic priorities: Efficiency and Resilience.

Wood pellet production is expected to progressively stabilise as operations move beyond the initial trial phase, which should improve cost absorption and operational efficiency. While macroeconomic forecasts indicate a positive growth trajectory for the Malaysian economy in 2026, the Group remains cautious in view of ongoing geopolitical uncertainties, volatility in raw material and energy prices, as well as fluctuations in demand for timber-based products.

Although financial year 2025 reflected a challenging operating environment, the Group continues to actively manage its cost structure and diversify its product portfolio. These initiatives are aimed at strengthening operational stability and positioning the Group to benefit from the anticipated economic recovery in the coming financial year.

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.



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5. Profit/ (Loss) before tax

	Current year quarter to 31 December 2025 RM'000	Preceding year quarter to 31 December 2024 RM'000	Current year to 31 December 2025 RM'000	Preceding year to 31 December 2024 RM'000
Profit/ (Loss) before tax is arrived at after charging/ (crediting):-				
Interest income	(84)	(216)	(259)	(426)
Interest expense	1,042	3,633	12,596	15,088
Gain on disposal of property, plant and equipment	(10,458)	(29)	(17,784)	(29)
Depreciation and amortisation	8,103	6,546	29,292	27,236
Realised foreign exchange gain	(1,064)	(597)	(1,629)	(1,286)
Unrealised foreign exchange loss/ (gain)	5	(581)	5	(268)

6. Taxation

	Current quarter to 31 December 2025 RM'000	Current year to 31 December 2025 RM'000
In respect of current year		
- Malaysian income tax	136	(404)
- Real property gains tax	(1,071)	(2,823)
- Deferred tax	2,623	2,623
	1,688	(604)

The Group's effective income tax rate for the current year under review differs from the statutory tax rate mainly due to other incomes.

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 31 December 2025 are as follows:-

	Current RM'000	Non-current RM'000	Total RM'000
<u>Secured</u>			
Bankers' acceptance and invoice financing	104,633	-	104,633
Revolving credit	7,183	-	7,183
Term loans	9,331	53,656	62,987
	121,147	53,656	174,803



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9. Derivative financial instruments

There was no outstanding foreign currency forward contract as at 31 December 2025.

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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>As at 31 December 2025</u>				
Derivative financial assets	-	-	-	-
<u>As at 31 December 2024</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 2025. 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 2025	Preceding year quarter to 31 December 2024	Current year to 31 December 2025	Preceding year to 31 December 2024
(a) Basic earnings/ (loss) per share				
Net profit/ (loss) attributable to the owners of the Company (RM'000)	(14,586)	7,128	(12,615)	1,536
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>(1.46)</u>	<u>0.71</u>	<u>(1.26)</u>	<u>0.15</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 2026